

CHINESE ENTREPRENEURSHIP IN SINGAPORE:  
A STUDY OF EIGHT CHINESE ENTREPRENEURS  
IN SINGAPORE

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To my loving wife, my staunchest supporter.

Thank you.

And whatever you do,  
whether in word or deed,  
do it all in the name of the Lord Jesus,  
giving thanks to God the Father through him.

--Colossians 3:1

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## **ABSTRACT**

This is a collective case study of eight Chinese entrepreneurs in Singapore, five of whom are Protestant Christians and the remaining three of different faiths. They are owner-managers of their businesses, with the oldest being 63 years of age and the youngest 38. All interviewees were obtained through personal contacts, and the interviews were conducted by the author personally.

This is a limited study that aims to identify the various characteristics of Chinese entrepreneurship, the influence of Confucianism on Chinese entrepreneurship and the reasons why these entrepreneurs started their businesses. A framework integrating the characteristics of both Chinese entrepreneurship and Christian entrepreneurship is proposed.

## CHAPTER 1: PROBLEM STATEMENT & SETTING

### Introduction

The word “entrepreneur” has become a respectable title during the last few decades. Bo Peabody, a highly successful serial entrepreneur and author observed. “When I was growing up, ‘entrepreneur’ carried roughly the same connotation as ‘inventor.’ The word conjured up images of your wacky uncle doing science experiments in his basement in search of a new species of peanut butter. But by the late nineties, ‘entrepreneur’ meant millionaire and celebrity.”<sup>1</sup> Some successful celebrity entrepreneurs have not only authored books about their exploits but have TV programs bearing their names, e.g. Martha Stewart and Trump. News stands are filled with magazines like *Fortune*, *Forbes*, *Entrepreneur*, *Inc*, and *Success* whose covers are splashed with pictures of successful and wealthy entrepreneurs.

We hear about entrepreneurship almost daily in Singapore’s *The Straits Times*,<sup>2</sup> on the television, and in magazines. The local polytechnics<sup>3</sup> and universities include entrepreneurship courses in all their business programs. Even the Singapore government encourages her citizens to be entrepreneurial; we are encouraged to start our own businesses and create new jobs and new wealth. In the local corporate sector, managers and executives are told to be entrepreneurial in their jobs and become “intrapreneurs.”<sup>4</sup> Even children aspire to be successful entrepreneurs like Bill Gates and Steve Jobs.

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<sup>1</sup> Bo Peabody, *Lucky or Smart: Secrets to an Entrepreneurial Life* (New York: Random House, 2005), 9-10 as quoted in John Elkington and Pamela Hartigan, *The Power of Unreasonable People: How Social Entrepreneurs Create Markets That Change the World* (Boston: Harvard Business Press, 2008), 22.

<sup>2</sup> *The Straits Times* is Singapore’s leading daily newspaper.

<sup>3</sup> Polytechnics are vocational colleges where mainly technical and engineering skills are imparted.

<sup>4</sup> This term refers to being entrepreneur inside (intra) an organization.

What is entrepreneurship? Defining entrepreneurship is not an easy task.<sup>5</sup>

Entrepreneurship involves three facets – envisioning, inventing (creativity) and implementing – any one of which, by its absence, renders an activity less than successfully entrepreneurial.<sup>6</sup>

The word entrepreneur has its root in Christendom. In the Middle Ages in France, an entrepreneur was a clergyman who was in charge of a great architectural work such as a cathedral or a castle. This person had the functions of inventor, planner, architect, manager, employer and supervisor. An earlier form of the word was used as early as the fourteenth century. According to Bert Hoselitz, the term was used in the sixteenth and seventeenth centuries for government contractors. However, in the eighteenth century, this French term became infused with “a precise economic content” in the writings of the eighteenth-century businessman, Richard Cantillon.<sup>7</sup>

The qualities of envisioning, inventing and implementing are linked with the idea of entrepreneurship: not just envisioning, not just inventing, not just implementing, but all three. Admitting to the complexity of defining what an entrepreneur is, Robert Hebert and Albert Link suggest a similarity with the Heffalump in Winnie-the-Pooh: “All who claim to have caught sight of him report he is enormous, but they disagree on his particularities.”<sup>8</sup>

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<sup>5</sup> The difficulty of defining entrepreneurship was discussed extensively by Paul Stevens under the sub heading, ‘The Elusive Entrepreneur’ in Paul Steven, “The Spiritual & Religious Sources of Entrepreneurship: From Max Weber to the New Business Spirituality,” *Crux*, Vol XXXVI, No 2 (June 2000), 22-33; reprinted in *Stimulus: The New Zealand Journal of Christian Thought and Practice*, Vol 9, Issues 1 (Feb 2001):2-11.

<sup>6</sup> Jeffry A. Timmons, *New Venture Creation: Entrepreneurship in the 1990's* (Homewood, IL: Irwin, 1990), 17; Peter F. Drucker, *Innovation and Entrepreneurship: Practice and Principles* (New York: Harper & Row, 1985), 243.

<sup>7</sup> Robert F. Hebert and Albert N. Link, *The Entrepreneur: Mainstream Views and Radical Critiques* (New York: Praeger Publishers, 1982), 12-13.

<sup>8</sup> Herbert and Link, *The Entrepreneur*, 114.



The entrepreneurial process of envisioning creates a vision for a new business enterprise, and births an organization for the invention of new products or services. The third aspect, good implementation, is needed to put together resources such as money, talents, machines and systems to serve the customers. Would-be entrepreneurs can envision all they want, but unless they take risks to create new businesses, no new enterprises will be created. Rather than measure the entrepreneurial aspect of envisioning; this study hopes to measure the ability of entrepreneurs to assume risks and start new businesses. Without new businesses there will be no new jobs and consequently no means of economic value-added. Risk taking is therefore a paramount aspect of entrepreneurial ability.

The second aspect, inventing, should not be a one-time, one-hit process but a continuous process of introducing changes into the enterprise. No business can survive for long on a single-hit invention. New products and new services need to be continuously added to ensure ongoing prosperity. This study hopes to measure how entrepreneurs continue to innovate and make changes in their businesses.

The third facet, i.e. implementing, relates to the ability to manage scarce resources such as money, talents, machines, and systems. Managerial capabilities are needed in order to plan, organize, execute, and control these resources to produce effective products and services in order to grow the business.

In the analysis of entrepreneurial capabilities in this thesis, the focus is on the creation of for-profit businesses. Rather than measuring the three facets mentioned above, envisioning, inventing, and implementing. This study sets out to measure eight Chinese entrepreneurs' abilities in creating new businesses, innovating and implementing. The first aspect is the capacity for risk-taking (creating new businesses); second, the ability to introduce change (innovating); and third, managerial capability (implementing).

## **The Importance of Entrepreneurship**

In their risk taking, implementation and innovation, entrepreneurs create and build growth-oriented businesses. A good example is the creation of billion-dollar young businesses like e-bay, Google and Facebook. The entrepreneurs not only create wealth for themselves and their stakeholders (shareholders, employees, suppliers and their communities), but also change the way we live and add value to the economy.

In 1981, David Birch published a finding showing that in the United States between 1969-1976, almost 80 percent of new jobs were created by firms that had fewer than 100 employees. Birch's study sparked a worldwide interest in understanding the real economic impact of entrepreneurship. Subsequent studies around the world affirmed that small firms typically create well over 50 percent of net new jobs. It should be, however, noted that not all small firms are net creator of jobs. Only a small portion of these small firms, about 5 to 10 percent, are creating new jobs.<sup>9</sup>

Behind the glowing enthusiasm about entrepreneurship and its potential to bring about economic growth is the stark reality of high failure rates of new businesses. Studies have shown that in most developed countries only half of new firms remained in business for five years, and less than one-third last ten years. Of the third that last, only a rare few have the potential to grow substantially and bring sizable economic benefits to their industries and host countries.<sup>10</sup>

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<sup>9</sup>Wayne A. Long, "Why Entrepreneurship?", *Entrepreneurship and Enterprising Culture*, ed. Meng Aik, Low and Wee Liang, Tan, (Singapore: Addison-Wesley Publishing Co, 1996), 2.

<sup>10</sup> Scott A. Shane, *The Illusions of Entrepreneurship* (New Haven: Yale University Press, 2008), 98.

## The Importance Of Chinese Entrepreneurship In Asia

In Asia, most economies fall into three categories. First, there are those which have at one time enjoyed the benefits of thriving economies and are now struggling with long recessions, poor economic performance, and historically high unemployment. An example is Japan. Japan's economy in 2009 had just rebounded to its 2004 level but her unemployment rate of 5.7 percent is the highest since records were begun in 1953.<sup>11</sup>

The second group is the emerging economies that are experiencing the early stages of economic independence in their move from a central planning economy to a market-driven capitalism.<sup>12</sup> This group comprises Vietnam and Laos.

The third group is made up of the industrialized economies that are enjoying increasing economic affluence. This group includes China, Korea, Taiwan, Indonesia, Philippines, Thailand, and Singapore.

The first category looks to the entrepreneur to play a significant role in a "turnaround strategy" to help regenerate and spur economic revitalization. The second and third groups hope to harness the entrepreneurs' creative talent, innovation, and organization building capabilities to develop and support long-term economic growth.<sup>13</sup>

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<sup>11</sup>Jason Clenfield, "Japan Sees Economy 'Picking Up' Even as Jobs Lost (Update1)." Updated: Tokyo, Sep 09 15:16.<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=auvxOGBg.kYs>(accessed Sept 15<sup>th</sup> 2009).

<sup>12</sup>Capitalism is an economic system characterized by private or corporate ownership of capital goods, by investments that are determined by private decision, and by prices, production, and the distribution of goods that are determined mainly by competition in a free market. *Merriam-Webster's Collegiate Dictionary*, 11<sup>th</sup> ed. (Springfield: Merriam-Webster, 2003).

<sup>13</sup>Long, "Why Entrepreneurship?" *Entrepreneurs, Entrepreneurship and Enterprising Culture*, 2.

## The Importance Of Chinese Entrepreneurship In Singapore

In the nineteenth century, the long reign of the Manchu Dynasty was descending into chaos because of overpopulation, decadence, extreme conservatism in the administration, invasion, civil war, and technical backwardness in agricultural and industrial productivity. The resulting famines, mass unemployment, and severe hardship forced many young people to leave their homeland seeking a livelihood overseas to support their families back in China.<sup>14</sup>

The mass exodus of people from China was concentrated in the second half of the nineteenth century during the colonial era in parts of Southeast Asia.<sup>15</sup> There was another exodus in the late 1940s and early 1950s as the Chinese fled the reprisals of the Communist revolution. This later exodus included a significant proportion of the Chinese *bourgeoisie*. This latter group fled to Taiwan, Hong Kong, Southeast Asia, and a lesser extent, the Western world.

Over 50 million ethnic Chinese live around the borders of the South China Sea. These Chinese are mainly descendants of refugees from China more than 150 years ago. Taiwan, Hong Kong, and Singapore have a total of 33 million Chinese people accounting for most of their total population. Philippines 1 percent, Indonesia has 4 percent Chinese, Thailand about 9 percent, and Malaysia about 35 percent. The combined ethnic Chinese population for the region comes to about 55 million.<sup>16</sup>

This group of refugees and their descendants worked themselves out of poverty to become the dominant economic elite of the region. The form of capitalism they developed

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<sup>14</sup> Gordon Redding and Michael A. Witt, *The Future of Chinese Capitalism: Choices and Chances*, Oxford: Oxford University Press, 2007, 64.

<sup>15</sup> Southeast Asia refers to the region south of China and east of India. It is made up of Myanmar, Cambodia, Laos, Thailand, Vietnam, Malaysia, Brunei, East Timor, Indonesia, the Philippines, and Singapore. All of these countries are part of the Association of South East Asian Nations (ASEAN).

<sup>16</sup> Redding and Witt, *The Future of Chinese Capitalism*, 66.

dominated the economies of East and Southeast Asia in the second half of the twentieth century. These migrant ethnic Chinese developed a form of capitalism by building family businesses, i.e. businesses that are owned and operated by families.<sup>17</sup>

Singapore is a small island of 710 sq. km. but has a population of over five million. Singapore's population is made up of: Chinese – 75 percent, Malays - 13.7 percent, Indians - 8.7 percent and others - 2.6 percent.<sup>18</sup> There are no statistics on the ethnicity of entrepreneurs in Singapore, but it is generally accepted that the Chinese control most of the businesses in this island nation.

The majority of the Chinese business owner-managers in Singapore run businesses that are generally referred to as small and medium enterprises (SMEs). According to 2007 estimates there are approximately 130,000 SMEs in Singapore. By Spring Singapore's definition, SMEs are those with S\$15 million or less in fixed asset investment and, for non-manufacturing enterprises, 200 or fewer employees.

SMEs are generally family-owned and operated, and small in size compared to the government organizations and multi-national corporations, but they account for 48 percent of GDP and provide 62 percent of the jobs in 2007.<sup>19</sup>

In the last economic meltdown from mid 2008 to 2009, it was reported that these SMEs were better positioned to weather the crisis.<sup>20</sup> They have often been portrayed as stodgy, thrifty and backward when it comes to implementing modern business practices, especially when compared to the many multi-national corporations operating in Singapore.

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<sup>17</sup> Redding and Witt, *The Future of Chinese Capitalism*, 9.

<sup>18</sup> Economic Development Board, [http://www.edb.gov.sg/edb/sg/en\\_uk/index/why\\_singapore/singapore\\_facts\\_and\\_figures.html#people](http://www.edb.gov.sg/edb/sg/en_uk/index/why_singapore/singapore_facts_and_figures.html#people) (accessed Sept 14<sup>th</sup>, 2009).

<sup>19</sup> Gwendolyn Ng, Elizabeth Soh and Cassandra Chew, "Special Report: Family Stocks Rock," *The Straits Times*, Saturday March 14 2009, Part D.

<sup>20</sup> Ng, Soh and Chew, "Special Report: Family Stocks Rock," *The Straits Times*.

But it was precisely their lean and nimble operations that allowed them to adapt to the deteriorating market conditions whereas the larger corporations needed to aggressively downsize their workforce.

### **Entrepreneurship In Christendom**

The critical text that establishes the relationship between religion and entrepreneurship is Max Weber's *Protestant Ethic and the Spirit of Capitalism*.<sup>21</sup> Weber locates entrepreneurship within capitalism, and argues that certain features of Protestantism (Calvinism rather than Lutheranism) encourage entrepreneurial endeavor. Unintentionally the Reformation fathers turned the notion of a religious calling (*Beruf*) into a devoted commitment to commercial endeavor, a commitment to the accumulation of wealth and the efficient use of time and effort.

Weber's entrepreneurship is about bourgeois organization of labor rather than speculative promotions.

To the English Puritans, the Jews of their time were representatives of that type of capitalism which was involved in war, Government contracts, State monopolies, speculative promotions, and the construction and financial projects of princes, which they themselves condemned. In fact the difference may, in general, with the necessary qualifications, be formulated: the Jewish capitalism was speculative pariah-capitalism, while the Puritan was bourgeois organization of labor.<sup>22</sup>

Martin Krieger, in his book, *Entrepreneurial Vocations*,<sup>23</sup> argues that notions central to the sacred, to religion, and to theology play crucial roles in everyday secular

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<sup>21</sup>Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, 1904-1905, 1920, Tr. T. Parsons (New York: Charles Scribner's Sons, 1958).

<sup>22</sup> Weber, *The Protestant Ethic and the Spirit of Capitalism*, 271.

<sup>23</sup> Martin H. Krieger, *Entrepreneurial Vocations* (Atlanta: Scholars Press, 1996).

human practice. "What entrepreneurs actually do is religious. And some of the best exemplars of entrepreneurship are within the religious realm."<sup>24</sup>

Weber argues that salvation and redemption may be symbolically attained through the accumulation of wealth. But Krieger goes further and suggests that entrepreneurship provides authentic redemption. The entrepreneur's speculation, if it is true will be successful, but if he or she is wrong his venture will be a failure. This quest for truth is likened to a spiritual journey from lostness to salvation.<sup>25</sup>

Not everyone will agree with Krieger's argument but his examples of Augustine, Paul and Moses as founders, builders and innovators of new organizations are worthy of further study. Augustine and Paul established the early Christian church, and Moses organized the Israelites into a nation.

Since the reformation and the post-Protestantism which Weber studied, the Western world has gradually moved away from its Christian roots and adopted a secular humanism. The Protestant spirit has been quenched. Business is business. Greed is healthy and necessary. Self-interest is the primary motivation for entrepreneurship. As business moved away from religion, the church separated herself from business.<sup>26</sup>

From the late nineteenth century through much of the twentieth century, the spiritual dimension in the studies of economic and business disciplines was largely absent. However, in the last few decades this has been broken by a new interest in the spiritual dimension of business life. Paul Stevens argues "The New Business Spirituality movement reflects...the insatiable hunger of the human being for Someone beyond

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<sup>24</sup>Krieger, *Entrepreneurial Vocations*, Preface, xi.

<sup>25</sup>Krieger, *Entrepreneurial Vocations*, Preface, xi.

<sup>26</sup> Paul Stevens, "The Spiritual & Religious Sources of Entrepreneurship: From Max Weber to the New Business Spirituality," *Crux*, Vol XXXVI, No 2 (June 2000), 22-33; reprinted in *Stimulus: The New Zealand Journal of Christian Thought and Practice*, Vol 9, Issues 1 (Feb 2001), 2-11.

humankind...<sup>27</sup> The New Business Spirituality is now addressing the God-sized vacuum in the soul of people in the workplace.

Unlike the West, Asia never had a legacy of Christianity. Asia never had the benefits of a Christian work ethic. Entrepreneurship and business in Asia is built on Confucian ethics and commonly referred to as Confucian Capitalism. In many parts of Asia the absence of sound legal structures and enforcement generally creates what Weber refers to above as speculative pariah-capitalism.

Even as Christian influence appears to be waning in the West, parts of Asia have a growing Christian population. In Singapore alone there are more than 700,000 Christians, making up 14.6 percent of the population.<sup>28</sup> What kind of spirituality can these 1.3 million Christians bring to bear on entrepreneurship and business in Singapore? Is there a significant difference in the impulses and characteristics between Christian and non-Christian entrepreneurs? Is there a biblical framework for entrepreneurship?

### **The Problem Statement**

This paper aims to develop a value-based framework of biblical entrepreneurship based on an understanding of entrepreneurship in the Bible and investigations into the development, practices, and philosophies of a group of Chinese entrepreneurs in Singapore.

In this study, the definition of entrepreneurs will focus on for-profit business owner-managers. This definition excludes social entrepreneurs i.e. entrepreneurs in social and non-profit businesses and intra-preneurs i.e. entrepreneurs working within corporations. There is no distinction between successful, or not-so-successful

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<sup>27</sup> Paul Stevens, *Doing God's Business: Meaning and Motivation for the Marketplace* (Grand Rapids: Wm. B. Eerdmans, 2006), 133.

<sup>28</sup> Feng Yen, "Carving out a space for the non-religious here," *The Straits Times*, November 8<sup>th</sup> 2010, B4.



entrepreneurs, or even outright failures. This definition includes not only those who started their own businesses, but also the second generation's entrepreneurs who inherited their businesses. The focus of this study is Singaporean Chinese entrepreneurs. This is critical as the local population is mainly Chinese and most businesses are Chinese owned.

### **Research Questions**

Some of the key research questions are:

1. What are the roots and beginnings of Chinese entrepreneurship in Singapore?
2. What are the factors that drive Chinese Singaporeans into entrepreneurial ventures?
3. What are the unique characteristics of Chinese entrepreneurship?
4. Is it true that Singaporean entrepreneurs are less entrepreneurial than their Chinese counterparts in other parts of Asia?
5. What is the future of Chinese entrepreneurship in Singapore?
6. What does the Bible have to say about entrepreneurship?
7. How do the Christian entrepreneurs perceive the importance of integrating their faith and business? Is there any difference in their perception compared with their non-Christian counterparts?
8. What is a biblical model of Chinese Christian entrepreneurship in Singapore?

There is a vast amount of literature on small businesses and their characteristics. However, in Singapore, apart from extensive interviews conducted by the government's Oral History Department with the then surviving members of the communities, studies on contemporary entrepreneurship are few and far between. Limited research has been

conducted about these SME entrepreneurs and the driving forces that led them to begin their own businesses.<sup>29</sup>

It is important to uncover the various impetuses that drive entrepreneurs to create new businesses from two perspectives: (1) what are the factors and impulses that drive creativity and risk taking, and (2) are these factors and impulses different for the Christian and the non-Christian?

Even rarer are books and papers published on Singapore's Christian entrepreneurs. In a multi-racial and multi-religious Singapore, publishers take pains to downplay the personal faith of the published entrepreneurs and portray entrepreneurs as religiously neutral.

Given the limitations of the literature on Singaporean Christian entrepreneurs it has been necessary to develop a collective case study of a group of about eight Chinese entrepreneurs (Christians and non-Christians). Extensive interviews will be conducted with each entrepreneur to uncover different approaches to entrepreneurship and integration between business and faith.

This case study should be viewed as exploratory research. The study does not need to test hypotheses, but instead hopes to form theories by sampling what has happened in the "real world."

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<sup>29</sup>Tsao Yuan, Lee and Linda Low, *Local Entrepreneurship in Singapore: Private & State* (Singapore: Institute of Policy Studies, 1990), 68. This book focuses on some of the key trends of entrepreneurship in Singapore, and has substantial information on why entrepreneurs start businesses.

## CHAPTER 2: THEOLOGICAL FRAMEWORK

### Entrepreneurship In The Bible

In chapter 1, it has been argued that entrepreneurial endeavors involve three processes: creating, innovating and implementing. The first covers the capacity for risk-taking (creating new businesses); the second, the ability to introduce change in the businesses (innovating) and the third, managerial capabilities (implementing).

These three aspects of creating, innovating and implementing are present throughout the Bible. The first sentence of the Bible is about creating; “In the beginning God created the heavens and the earth...” (Gen 1:1 NIV).<sup>30</sup> In the same way, man created in God’s image is capable of not only thinking, but creating as well. The act of creating is part of man’s God-given ability.

But there is a significant difference; God created the heavens and the earth *ex-nihilo*, creating out of nothingness, without the use of previously existing materials. Entrepreneurs in business create new products, new services and new institutions out of Creation’s resources. This significant difference is a reminder for all business entrepreneurs that God is not only the Creator of all things, but the ultimate Owner of all the resources that entrepreneurs work with.

Creating involves risk-taking. It is as much about opportunity as it is about losses. The creation of new businesses requires the commitment of significant resources to pursue opportunities envisioned by the entrepreneur, but if the entrepreneur fails, it can mean significant losses. In fact the risks are high. Less than a third of new businesses survive past their tenth year, and very few of these surviving businesses become significant. This high failure rate reflects the “Fall” of God’s perfect creation.

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<sup>30</sup> Unless specified otherwise, all biblical quotation will be from the New International Version (NIV).

Despite the high risks, entrepreneurs continue to start new businesses. Maybe it is the promise of success and the enormous rewards of owning successful businesses, or it could be the nature of entrepreneurs to assume significant risks and work tirelessly against seemingly insurmountable odds to strive for success. This capacity for risk taking was also present in our Creator. God took a significant risk in first creating humans, and then granting humans free will. Instead of remaining satisfied with God's provisions, humans throughout history continue to choose to take control as consumers of the fruits of creation.<sup>31</sup> Despite man's rebellion, God continued to be involved in man's well-being.

Innovating involves introducing change or new ideas. In innovating, entrepreneurs re-organize or re-arrange existing resources to introduce something new.<sup>32</sup> Creating is usually an isolated act whereas innovating is a continuous process of introducing change.

The first human innovation by the first couple, Adam and Eve, was the loin-cloth of fig leaves. Barry Gordon observes that, unfortunately this first innovation came about as a result of the first couple's quest for independence from God.<sup>33</sup> Yahweh intervened and provided a superior substitute, clothes made out of skin (Gen 3:21). Gordon argues that man's innovation continued: Abel became a shepherd and Cain tilled the soil (Gen 4:2), the innovation in this case is the division of labor. Again this arrangement led to competition and eventually fratricide.

After the flood, Noah is identified as being, "the first to plant a vine" (Gen 9:20 NRSV). Noah however, became drunk from his vine. In the post-Flood order, man was not to innovate with impunity. In the Babel story, Yahweh intervened to save humankind from

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<sup>31</sup> Barry Gordon, "The Economic Problem in Biblical and Patristic Thought," (Leiden: E. J. Brill, 1989) in *On Moral Business: Classical and Contemporary Resources for Ethics in Economic Life*, ed. Max L. Stackhouse, Dennis P. McCann, and Shirley J. Poels, with Preston N. Williams (Grand Rapids: Wm. B. Eerdmans, 1995), 50.

<sup>32</sup> *Merriam-Webster's Collegiate Dictionary*, 11<sup>th</sup> ed. Ed. Frederick C. Mish, (Springfield: Merriam-Webster, Incorporated, 2005), 645.

<sup>33</sup> Gordon, "The Economic Problem in Biblical and Patristic Thought," in *On Moral Business*, 49.

the adverse consequences of the misdirected use of power. God “confused their languages” (Gen 11:7) to prevent further innovation.<sup>34</sup>

Primeval History has shown that humane innovation frequently produced adverse consequences, and it was only through God’s grace and intervention that disastrous consequences were avoided. Businesses need to innovate in order to survive in today’s fast changing circumstances. Without profit, it is impossible for any businesses to survive for long merely on shareholders’ funds. On the other hand, there is the danger of innovations driven solely by profit motives. An example is the U.S. mortgage-backed securities of sub-prime properties, and other complex financial instruments that brought on the global financial crisis in 2008. Christian entrepreneurs need to be wary of the motives behind their innovations, and give thought to the dire consequences that their innovations might produce. Profits are important for the survival of a business but they cannot be the sole motive for doing business.

Managerial capabilities are the third aspect of entrepreneurial endeavors. Good entrepreneurs not only take calculated risks to create new products or services, but also continue to remain engaged in their businesses to develop and grow them. In the same way, God did not create the world and then walk away from it, but continues to engage Creation to bring about Creation’s final redemption.

Building a business is an enduring and persistent journey that may take years or even decades. It is not a one-time success or failure, but an ongoing quest to steward businesses according to the righteousness and wisdom prescribed in the Bible.

The book of Proverbs is a useful book for entrepreneurs. It focuses on everyday life, on the usual, on the individual and on the personal experience at home and in the marketplace. Proverbs is often misunderstood as a manual for achieving success, health,

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<sup>34</sup>Gordon, “The Economic Problem in Biblical and Patristic Thought,” in *On Moral Business*, 52.

happiness and wealth. While Proverbs does describe prosperity as a blessing of wisdom, many of the benefits mentioned are based on the observation of the normal course of events and the consequences of our decisions. The person who typically experiences health and wealth is the sober person rather than the drunkard (see 22:29-35), the cool-headed individual rather than the hot-headed person (15:18; 19:19; 22:24; 29:22), and the diligent rather than the indolent.<sup>35</sup>

Solomon's proverbs (10:1-22:16) describe many dimensions of the connection between righteousness and wisdom. They also provide insight into the relationship between wisdom, and divine and human rule.

Honesty is always linked with God: accurate weights are his delight (Prov 11:1); honest scales and balances are from the LORD (Prov 16:11); the LORD detests differing weights and dishonest weights (Prov 20:10, 23).<sup>36</sup> "Kings take pleasure in honest lips; they value a man who speaks the truth" (Prov 16:13).

Wealth must be accompanied by the correct ethics. "Dishonest money dwindles away, but he who gathers money little by little makes it grow" (Prov 13:11). Gains by fraud may taste sweet to a man, but in the end these gains are like gravel (Prov 20:17). "A fortune made by a lying tongue is a fleeting vapor and a deadly snare" (Prov 21:6). "He who pursues righteousness and love finds life, prosperity and honor" (Prov 21:21).

Diligence and patience ensure success in the marketplace. "Lazy hands make a man poor, but diligent hands bring wealth" (Prov 10:4). This link between diligence and success is repeated in 12:24; 27 and 13:4. "The plan of the diligent leads to profit as surely as haste leads to poverty" (Prov 21:5). Even a ruler can be persuaded through patience, and a gentle tongue can break a bone (Prov 25:15).

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<sup>35</sup>*NIV Spirit of the Reformation Study Bible*, (Grand Rapids: Zondervan, 2003), 969.

<sup>36</sup>*NIV Spirit of the Reformation Study Bible*, 973.

## Entrepreneurs In The Bible

Abraham, “the father of the faith” (Rom 4:1), was a wealthy businessman. He was involved in the raising and selling of livestock, and was rich in silver and gold (Gen 13:2). Abraham had so many flocks, herds and tents that he and his nephew Lot could not stay together (Gen 13:5-6). He was a mighty prince among the people of the ancient Near East (Gen 23:6).

Job, was the wealthiest man in the country of Uz (Job 1:3), where he was active in societal and governmental issues (Job 31). Both were faithful followers of God despite the successes of their entrepreneurial endeavors.

There were many OT leaders and prophets that were in the shepherding business. A few were breeders; some were probably brokers of herds or hired workers. Among this group were Moses, Gideon, David and Amos.<sup>37</sup> Other prominent OT characters were in the farming business: Saul returned to his field after being anointed king (1Sam11); and Elisha was ploughing his family’s fields when Elijah called him (1King 19: 19).

A final Old Testament example is *The Wife of Noble Character*, in Proverbs 31. Her fruitful entrepreneurial activities are captured in verses 13 to 27. She took care of the needs of her household (vv.13-15); she bought a field and planted a vineyard (v.16); she was willing to do manual work (v.17); she traded profitably; she made and sold garments, and she was never idle.

As we move into the New Testament we have an example in Jesus. “A carpenter, in biblical times, was a builder who primarily used wood.”<sup>38</sup> Jesus probably started his apprenticeship as a teen, and would have had 20 years of business experience when he was baptized.

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<sup>37</sup> Amos was both a shepherd and caretaker of sycamore-fig trees (Amos 1:1; 7:14).

<sup>38</sup> Ed Silvano, *Anointed for Business*, (Ventura: Regal Books, 2002), 39.

If Jesus' father, Joseph, had already passed away, then Jesus, as the firstborn male, would be running the family business. Jesus' daily business routine is likely to have involved calculating the cost of goods and labor, understanding supply and demand, setting competitive pricing, and measuring the potential returns on His investment. "Even though it may be unusual, even uncomfortable, for us to picture Jesus working to make a living, this is precisely what He did for most of His adult life."<sup>39</sup>

Many of Jesus' miracles took the form of business wonders. He increased at least a thousand fold a few fishes and rolls in order to feed thousands of people (Matt 14). Ordinary water was turned into wine (John 2:1-10), and Jesus' instructions led his disciples to two miraculous catches of fish (Luke 5:1-14; John 21:1-6).

Among Jesus' disciples were several business people. Peter and Andrew were professional fishermen who owned their own boat and equipment. James and John were partners with their father in a food business- they were mending their nets when Jesus called them (Matt 4:21-22).

The Early Church was supported by entrepreneurs.<sup>40</sup> Lydia was a wealthy wholesaler of expensive fabric with homes in Philippi and in Thyatira. Dorcas was a designer and manufacturer of inner garments. She was continually doing good, which implied a consistent level of giving for which corresponding wealth was required. Dorcas was prominent in her community, and her resurrection led many of the town citizens to believe in the Lord (Acts 9:36-42).

Paul was a tent maker. Tents during New Testament times were made of individual goat hair woven together. "In wet weather, goat hair swells up creating an effective shield against wind and rain. In hot and dry times, the goat hair "breathes," letting air and some

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<sup>39</sup>Silvoso, *Anointed for Business*, 40.

<sup>40</sup>Silvoso, *Anointed for Business*, 49.



sunlight through into the interior of the tent making it cool and pleasant.”<sup>41</sup> Tent making is a business that requires exacting manual labor and proper technique. It is a business passed from father to son.

Aquila and Priscilla were also business people. They were tent makers like the apostle Paul. “It is not entirely farfetched to equate a tent maker with a modern-day developer of motels, since tents were use for temporary lodging when person was away from home.”<sup>42</sup> Tents were therefore elaborate and could have been as big as a house. One of Aquila and Priscilla’s key customers may have been the Roman Army.

### **Entrepreneurship As A Calling**

Paul Stevens argues that business is a corollary of the cultural mandate; “This means that business is a legitimate part of understanding the stewardship of creation to make a human imprint on the earth.”<sup>43</sup>

Although Stevens views business as legitimate he believes God does not normally call people to service in various occupations in the same way he called people like Amos and Elijah to serve as prophets or Paul as an apostle. However, as an exception, God may give an existential call to individuals for specific service. God normally “calls us in a general sense” to an area of service appropriate for our gifts and talents through our passions, abilities, and opportunities.<sup>44</sup>

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<sup>41</sup> Peter Tsukahira, *My Father’s Business: Guidelines for Ministry in the Marketplace* (Singapore: onestonebook.com, 2000), 23.

<sup>42</sup> Silviso, *Anointed for Business*, 49.

<sup>43</sup> Paul Stevens, *Doing God’s Business: Meaning and Motivation for the Marketplace* (Grand Rapids: Wm. B. Eerdmans, 2006), 23.

<sup>44</sup> Stevens, *Doing God’s Business*, 36.

I want to argue that Stevens' "general sense of call" can become a "specific personal call" for a Christian when she decides to use her God-given passions, abilities, and opportunities to become an entrepreneur, and goes on to uncover that entrepreneurship is her personal destiny, and can contribute something worthwhile to the common public life.

Michael Novak argues that everyone is created uniquely. To identify our calling, we need to understand two things: our God-given ability to do the job, and our God-given enjoyment while doing it because of our desire to do it.<sup>45</sup>

To affirm a calling to entrepreneurship we need to have not only the desire but the talent as well. Our calling must fit our abilities. Our call to entrepreneurship is a call to bring good works into God's good creation. In order to do good works, we need to have the requisite talent.

Apart from talent there must be a love for what we are doing. "The test of a vocation is the love of drudgery it involves."<sup>46</sup> The process of building a business is a prolonged and lonely journey of long hours, frustrations and struggles. A true calling reveals its presence by the enjoyment and sense of renewed energies its practice yields us. Entrepreneurs may groan and stumble under the burdens and toils of their endeavors, but they will be constantly renewed and refreshed by their dreams.

### **Jesus' Teaching On Wealth**

As discussed, the motivation for starting and growing new businesses cannot be money alone. Wealth continues to be a temptation for entrepreneurs who hope to acquire it and a distraction for those who have acquired it. The Old Testament has much to say about

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<sup>45</sup>Michael Novak, *Business As A Calling* (New York: The Free Press, 1996), 19.

<sup>46</sup> Novak, *Business As A Calling*, 35.

the acquisition of wealth. Wealth is to be acquired honestly and through hard work, but tempered with restraint. “Wealth obtained by fraud dwindles, but the one who gathers by labor increases it” (Prov 13:11 NASB). We must keep our word even when it hurts (Ps 15:4-5). We are not to use dishonest means in our business transactions (Lev 19:35-36; Deut 25:13-16). We are not to wear ourselves out to get rich, but to have the wisdom to show restraint (Prov 23:4).

Jesus has more to say about money than prayer. A third of his parables relates to the acquisition and use of wealth. Jesus warns that we can only serve one master, either God or mammon (Matt 6:24). Billy Graham observed, “Tell me what you think about money, and I can tell you what you think of God.”<sup>47</sup>

In his book, *Creation of Wealth*, Brian Griffiths, an English economist, noted that Christ’s teaching were concerned with enunciating principles, not policies. Jesus was not interested in the cause of either wealth or poverty or any connection between them. He did not fully examine all the relationships which might have existed between the inequality of wealth and poverty in his own day, and the structures of his own society. Were the rural poor the result of urban affluence? Was all wealth the result of exploitation? Should land be communally owned?<sup>48</sup>

Yet in his parables Jesus frequently talked about money, “not in the context of some program for economic reform but in terms of personal spiritual destiny.”<sup>49</sup> In this context several principles about money can be drawn from Jesus’ teachings.

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<sup>47</sup> Billy Graham, “Are You Robbing God?” The Billy Graham Evangelistic Association, 1961 in *Select Stewardship Sermon*, (Lima: The CSS Publishing Co, 1993), *Introduction*.

<sup>48</sup> Brian Griffiths, *The Creation of Wealth: A Christian’s Case for Capitalism* (Illinois: Intervarsity Press, 1984), 45.

<sup>49</sup> Griffiths, *The Creation of Wealth*.

The first is that there is nothing intrinsically sinful about wealth or particularly virtuous about poverty. Jesus was willing to be in the company of both rich and poor. Jesus was critical of the rich not because of their wealth but because their lives were centered on their own egos and totally unconcerned with God. An example is the parable of the rich fool (Luke 12:17-21).

The second principle is that we are responsible for the use of our resources. In the Sermon on the Mount, Jesus called all his disciples to give charitably but in an unostentatious manner. His parable of the talents highlights the need for good stewardship. In Luke 16, Jesus also draws a parallel between the trusteeship of earthly wealth and the wealth of the Kingdom of God.

The third principle from Jesus' teaching is to be wary of the spiritual hazards attached to wealth. Jacques Ellul warns that mammon (probably Aramaic for money or wealth) is opposite to God in behavior. It is a defeated power; it belongs to Satan, and is a liar like its master. Mammon is a power that counterfeits God's works of hope, justice, charity and love. It demands total allegiance from humans.<sup>50</sup>

Wealth also tends to produce arrogance and self-reliance. Success can bring the distraction of materialism, and direct our thoughts to acquiring more things as a reward for our hard-earned success. Wealth can make us indifferent to the suffering and poverty of the world. Lazarus's meager needs were ignored by the rich man and his five brothers (Luke 16). "It is impossible to serve God and Mammon: God demands from his followers a spirit of self-denial and sacrifice; Mammon encourages a spirit of self-indulgence and pride."<sup>51</sup>

We can draw several implications from these principles.

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<sup>50</sup>Jacques Ellul, *Money & Power* (Downers Grove: Inter-Varsity Press, 1984), 74-75.

<sup>51</sup>Griffiths, *The Creation of Wealth*, 48.

No Christian should feel guilty merely because he lives in a decent house, drives a solid car, wears a good suit of clothes or eats a good meal.<sup>52</sup> God intends His world to be good materially and spiritually. The business of creating wealth has a Christian foundation. However, I would add that there should be a limit to one's lifestyle even though one can afford to buy anything. This limit should be set in order not to cause other believers to stumble or dilute their faith through a preoccupation with materialism.

This writer is blessed with creating and owning several successful businesses. Acquaintances and colleagues have frequently asked why I do not drive a better car or own a bigger house. They frequently wonder aloud, "what are you doing with your money?" I must admit to being frequently tempted to buy many things as affordability is not a hindrance. But I believe that money can be both a distraction and temptation if not properly dealt with. I try to cope by giving away increasing proportions of my wealth.

Second, we are expected to be good stewards of our resources. The Bible contains twenty-six direct references to the steward and stewardship.<sup>53</sup> The steward in the Old Testament is a servant. This steward is "given the responsibility for the management and service of something belonging to another, and his office presupposes a particular kind of trust on the part of the owner or master."<sup>54</sup> The qualities of such a steward are: humbleness of spirit, hardworking, not wasteful and ostentatious, and loving care for those whose welfare the steward has responsibility.

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<sup>52</sup> I recognize that there are varying standards for homes, cars, dressing, or meals throughout the world. Here I am referring to the middle and upper-middle class in contemporary Singaporean society, which is very close to the North American standard.

<sup>53</sup> Douglas John Hall, *The steward: a Biblical symbol come of age*, rev. ed. (Eugene OR: Wipf and Stock Publishers, 1990), 31.

<sup>54</sup> Hall, *The steward*, 32.

Successful entrepreneurs are tempted with wealth, recognition and even fame, and it is the pursuit of the qualities of good stewardship that will keep the floodgates of pride and materialism in place.

Finally the practice of generosity by the successful entrepreneur will make him more sensitive to the plight of the poor, the weak and the suffering, and less focused on his or her desires. So the entrepreneurs, having made tremendous fortunes in their lives, eventually give most of their fortune away. Entrepreneurs should celebrate that their callings may enable another calling - giving. Good examples are Bill Gates and Warren Buffet. They have given away \$27 billion and \$8 billion respectively, and have pledged to give most of their remaining wealth away as well.<sup>55</sup>

### **A Framework For Christian Entrepreneurship**

Entrepreneurial capabilities are a combination of creating new businesses, innovating and implementing. In Christian entrepreneurship these capabilities must be located within a framework that takes into consideration teachings of the Old and New Testaments, and various theological perspectives on entrepreneurship. This framework covers four areas: theology, creation, community and eschatology.

First, in the *theological* dimension, God is the owner, master and ultimate authority over everything. We are servants accountable to the eternal Yahweh for all things in our lives - our possessions, talents, and abilities. Entrepreneurs should look upon themselves as stewards rather than owners. Entrepreneurs should aspire to be faithful and obedient stewards that excel in the qualities of humility, hard work, thrift, and care for the business's stakeholders, i.e. employees, shareholders, customers and suppliers.

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<sup>55</sup> "World's mega-rich adding wealth, Carlos Slim No 1." *REUTERS* reprinted in *Business Times*, Mar 11, 2010.

Paul Stevens calls this concept of stewardship, *regency*, and explains that we are regents as “we represent the absent monarch’s interests.”<sup>56</sup> The emphasis on *regency* challenges the concept of subduing (Gen 1:28) creation that has led to the exploitation of creation. It is not about just using creation for our needs, but about caring for it, something that we humankind is doing a poor job at.

Second, the *creational* dimension reminds us that God created all things good, spiritually or materially. Human work is good and is a part of God’s creation. Work is a fundamental dimension of man’s existence on earth. The source of this conviction is the revealed word of God. In the book of Genesis man is “created in the image of God...male and female” (Gen 1:27). Our image of God is reflected partly through the mandate to “be fruitful...and fill the earth and subdue it” (Gen 1:28). Stevens goes further to introduce the concept of humans as “*co-creators*,” to unpack the potential of creation... and to be “priests of creation.”<sup>57</sup>

Human life is a journey of discovering our personal worth through work. Studs Terkel in his interview of thousands of workers observes, “I was constantly astonished by the extraordinary dreams of ordinary people. No matter how bewildering the times, no matter how dissembling the official language, those we call ordinary are aware of a sense of personal worth...in the work they do.”<sup>58</sup>

Business is a legitimate part of work, and a call to entrepreneurship could be as sacred as any other callings. The challenge for entrepreneurs is to create something that is good from the goodness of creation. A Christian business should not be a mediocre

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<sup>56</sup>Stevens, *Doing God’s Business*, 6.

<sup>57</sup>Stevens, *Doing God’s Business*, 27.

<sup>58</sup> Studs Terkel, *Working: People talk About What They Do All Day and How They Feel About What They Do* (New York: Pantheon Books, 1972), Preface, xxiv.

business, but a business that is well run. This excellence reflects not only the presence of God but provides the opportunity to witness to others about God's goodness.

Entrepreneurs can do this by either developing the potential of creation, e.g. harnessing the use of green energies like wind and solar, or improving the quality of lives by creating meaningful products and services.<sup>59</sup> The following are three areas where God's goodness can be made manifest:

- a) The creation of products or services that are meaningful and that co-operates with the functioning of God's creation or improves human lives. Most products will meet this criterion either directly and indirectly.
- b) The offering of products or services that are competitive in both quality and pricing compared to those available in the market. A Christian business should not expect Christian customers to pay a higher price for their products simply because it is produced by Christians.
- c) The offering of a sustainable and reasonable return on capital invested in a business.

Third, the *communal* dimension mirrors the Trinitarian God who is Father, Son and Spirit. Paul Stevens argues that "we are called to be community builders." Elaborating further on the concept of community, Stevens argues from Genesis 1 that we are "to live in *communion* with God...eating, working, and relating are all to be expressions of their love and worship of God." The other is "*community-building*...We are designed for community, to experience it, to build it by being fruitful, multiplying, and filling the earth."<sup>60</sup>

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<sup>59</sup>Stevens, *Doing God's Business*, 22-27. Stevens refers to these two calls as part of the call of all Christians in business. The other calls are: to build communities; to global enrichment and unity; to create wealth and alleviate poverty; to invest in Heaven.

<sup>60</sup>Stevens, *Doing God's Business*, 27.



This has two implications. First, relationship is important and the idea of community is crucial to the life of society. Second, this relationship is based on both unity and diversity. In the Trinity, the one God does not take precedence over the many persons, nor do the many have priority over the One.

The creation of a new enterprise allows for a new and important form of human community – one whose key goal is to create new wealth beyond the wealth that existed before it came into being. Through knowledge and creative use of creation's resources, the business satisfies human needs and makes a profit in the process.<sup>61</sup>

This new community is made up of shareholders, employees, customers, and suppliers and the community on which the enterprise is based. This creative community has great transformative power for bringing dignity and hope to the poor. From the bottom up, the new business seeks out persons of talent, initiative, and training who want to better their conditions.

The men and women in the street are cynical about the intent of business. Many believe that business exploits people and the environment in order to make a profit. It becomes a meaningful challenge for Christian entrepreneurs to show that their business is as much about community building, and promoting justice and fairness, as it is about money-making.

Finally, entrepreneurship has an *eschatological* dimension. Darrell Cosden argues that "Humanity...added something" (our work of crucifying Christ) permanently to eternity; the crucifixion was a "work" carried out by many people. We have made an imprint on Jesus' (God's) eternal physical body. And since this body, still containing those scars, is now ascended back into the Godhead, the results of at least this particular "human

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<sup>61</sup> Novak, *Business As A Calling*, 127.

work” are guaranteed to carry over into God’s as well as our own future and eternal reality.”<sup>62</sup>

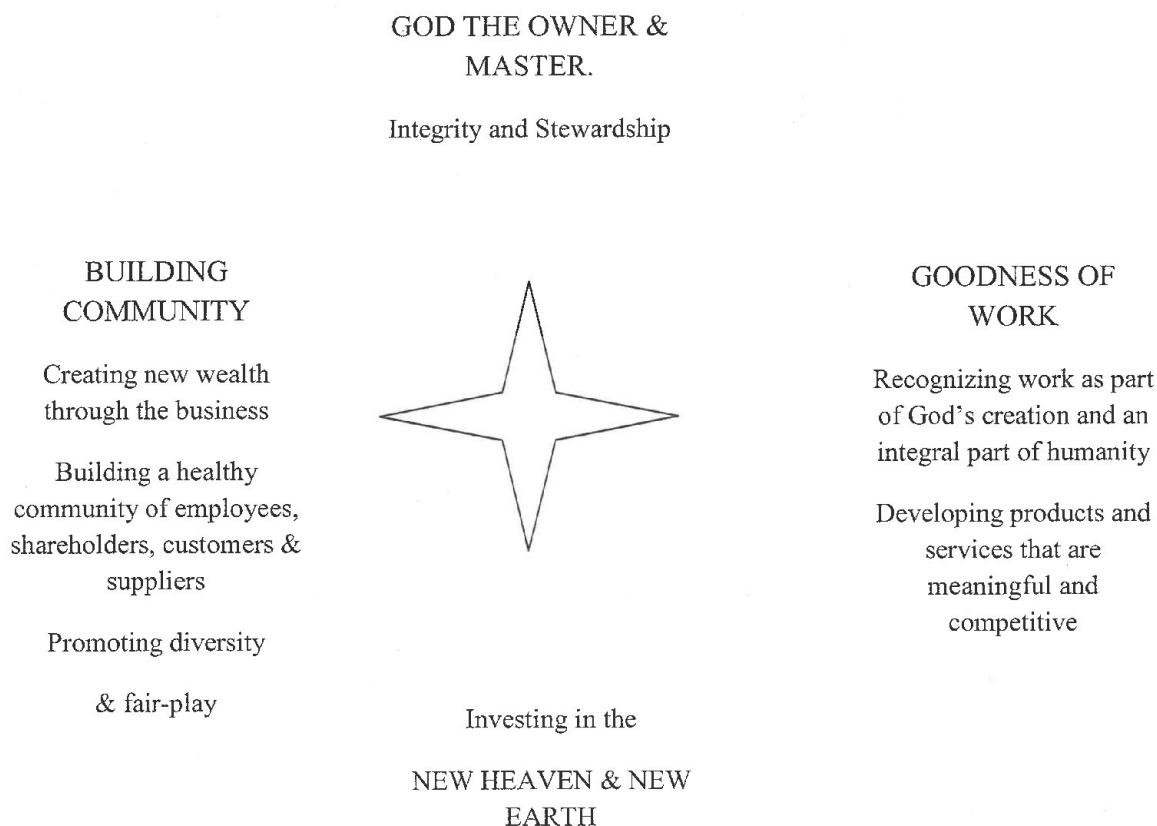
There is continuity between this life and the next. The New Jerusalem is part of the present earth, as a city and a land. Kings will bring their glories to the New Heaven and New Earth (Rev 21-22). Cosden argues that our salvation is a physical resurrection. All that is material (including our work) will be transformed instead of being annihilated, and will be brought into the New Heaven and New Earth.

Our entrepreneurial endeavors may last and find their place, purged of sin, in the New Heaven and the New Earth. The challenge is to know which part of our work will be continued and which part discontinued.

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<sup>62</sup>Darrell Cosden, *The Heavenly Good of Earthly Work* (Milton Keynes, U.K.: Paternoster, 2006), 59. Cosden was explaining the impact of our work of crucifixion being carried into the future.

Figure 1: Four Dimensions of Christian Entrepreneurship



As outlined above, the proposed framework of Christian entrepreneurship has four dimensions: theological, creational, communal and eschatological. Each of these dimensions adds a different emphasis to the entrepreneurial business. The theological dimension will emphasize integrity and stewardship. Our integrity comes from being one with God in all areas of our lives. This integrity is a constant in every area of our lives because we are aligned with God's will and laws. The creational dimension will focus on creating good work in the form of products or services that are meaningful and competitive. The communal dimension will require community building and the creation of new wealth for the stakeholders of the business. Finally the eschatological dimension

challenges us to continuously reconsider our priorities and our work in the light of the coming new heaven and new earth.

This framework serves as a model of behavior for entrepreneurs. The four dimensions highlight four relationships the entrepreneur must hold together: personal relationship with God, with creation, with the community, and with the returning Christ. These four relationships are glued together by love.

Paul, in writing to the Corinthians about different spiritual gifts, argued that there is a “more excellent way.” This is the supremacy of love in exercising our spiritual gifts.<sup>63</sup> Paul urged the Corinthians to live with faith, hope and love. “But the greatest of these is love” (1Cor 13:13). Love is not merely an ideal for the apostle Paul. It is action. In the same way entrepreneurs need to exercise their callings and gifts in this most excellent way of love. This love can be expressed in four ways.

The first is the love for Jesus that is manifested in our desire to follow His commands.<sup>64</sup> This desire to obey God will help the entrepreneur avoid many compromises that he or she will be confronted with during the course of conducting business. In the same way, by loving God, a successful Christian entrepreneur will be spared the many temptations that wealth brings. On the other hand, a failed Christian entrepreneur that loves God, despite his lack of material success can still be consoled by his relationship with God.

The second is the love for the work and calling of entrepreneurship in the goodness of creation. The love for our work never fails (1Cor 13: 8). Despite the inevitable drudgery of work and the discouragement of failure, it is the love of the entrepreneur’s work that will help him or her persist in the face of mounting odds and keep hopes high (1Cor 13:6).

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<sup>63</sup> In chapter 13 of 1Corinthians, Paul proposes the most excellent way in exercising spiritual gifts.

<sup>64</sup> This is based on John 14:21. “Whoever has my commands and obeys them, he is the one who loves me. He who loves me will be loved by my Father, and I too will love him and show myself to him.”

It is that same love for God's creation that causes man to always protect God's creation and rejoice with the truth of the goodness of creation (1Cor 13:7-8).

The third is the love for the community within which the business operates. This love is given concrete expression in Corinthians 13. Paul was talking about exercising spiritual gifts within the community of Christ, but we can draw parallels with exercising the gifts of entrepreneurship in the community of the business. Love is expressed by patience and kindness. It is not dealing with one another in envy, boastfulness or pride. It is not rude, it is not self-seeking, it is not easily angered, and it keeps no record of wrongs (1Cor 13:4-5).

The fourth is the love for the new heaven and new earth. This is best illustrated by a desire for the glorious return of Christ. We are to eagerly look forward to our invitation to the wedding supper of the Lamb (Rev 19:9). This eye on the future brings a new perspective to our earthly business dealings and relationships. It makes us recognize that we must all appear before the judgment seat of Christ, that each one may receive what is due him for the things done while in the body, whether good or bad (2Cor5:10)

While entrepreneurship is difficult and challenging, Christian entrepreneurship is even more challenging and difficult. We cannot be just successful or unsuccessful entrepreneurs. Whether we are successful or not, we must be a good witness of Christ in the marketplace. In a fallen world ridden with self interest and compromise, secular entrepreneurs are kept honest within a legal framework that protects shareholders, employees and customers. But Christian entrepreneurship must transcend mere legal structures and demand a framework that takes into consideration theological, creational, communal and eschatological dimensions.

Though more difficult and challenging, the rewards of Christian entrepreneurship offer immensely more than earthly success and wealth (although as discussed, these are

important too). Faithful Christian entrepreneurs may or may not be successful in their businesses. Some will obtain material success, some may not, but they will all reap a harvest of spiritual growth and development, and the satisfaction of living harmoniously with God, with creation, with the community and with the new heaven and new earth.

## CHAPTER 3: LITERATURE REVIEW

### Introduction: Economists And Management Thinkers On Entrepreneurship

Adam Smith, the eighteenth-century Scottish economist, portrays entrepreneurs as a “third order” who live by profit.<sup>65</sup> In this group are the merchants and master manufacturers who are driven by self-interest. Smith warns his readers to be wary of this group “whose interest is never exactly the same with that of the public, who have generally an interest to deceive and even to oppress the public, and who accordingly have, upon many occasions, both deceived and oppressed it.”<sup>66</sup>

Richard Ricardo, the analytical economist, shows no inkling about the activities of the entrepreneurs or their reaction to their impending loss of income to the landlords. In Karl Marx’s great drama, the entrepreneur appears as Mr. Moneybag “collecting surplus value, or playing the role of predator or prey in the battle of capitals, but his actual economic duties or decisions are left undescribed.”<sup>67</sup>

The word “entrepreneur” was never used by the aforementioned economists, but in their minds, this group of business people are schemers, cheats and predators. At best, entrepreneurs’ roles are unclear and their contributions questionable.

All these changed when Joseph Schumpeter published *The Theory of Economic Development* in 1934. This book introduced a striking and original picture of a key figure

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<sup>65</sup>Smith’s other two orders consist of those who live by rent and those who live by wages; Adam Smith, *The Wealth of Nations* (NY: Bantam Dell, 2003), Book I, Chapter XI, 338. This edition is based on the fifth edition as edited and annotated by Edwin Cannan in 1904. Adam Smith is probably right about the need to be cautious; this warning seems to be more applicable to the investment industry today than to business in general.

<sup>66</sup>Smith, *The Wealth of Nations*, 339.

<sup>67</sup> Robert Heilbroner, *Teaching From The Worldly Philosophy* (New York: W.W. Norton & Company, 1996), 299.

within the economic system: the entrepreneur. We now have a sharp but rather romantic picture of the entrepreneur whose character and duties are very important to the capitalist world. Schumpeter introduced a new perspective within which to regard capitalism itself.<sup>68</sup>

Schumpeter's entrepreneur is driven by three impulses: First, by the dream and will to find a private kingdom, though not necessarily a dynasty. Second, is their will to conquer and to fight, not for the fruits of success but for success itself. Third, is the joy of creating and of getting things done, or simply of exercising one's energy and ingenuity?<sup>69</sup>

Schumpeter argues that the function of the entrepreneur "is to reform or revolutionize the pattern of production by exploiting an invention or... an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of material or a new outlet for products...and so on."<sup>70</sup>

Schumpeter's views of the entrepreneur prevail in the twentieth and twenty-first centuries. His concept of the entrepreneur created an interest among management writers to define the role of the entrepreneur. Schumpeter's entrepreneur as innovator, creator of values and risk-taker persists today among business and management thinkers.

The Father of modern management, Peter Drucker, argues that not all new small businesses are entrepreneurial. To be entrepreneurial, a new business has to have special characteristics over and above being new and small. Entrepreneurial businesses create

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<sup>68</sup>Heilbroner, *Teaching From The Worldly Philosophy*, 299.

<sup>69</sup>Heilbroner, *Teaching From The Worldly Philosophy*, 301-302.

<sup>70</sup>Joseph A. Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper & Row, 1976), 132.



something new and different; they change or transmute values.<sup>71</sup> “The entrepreneur always searches for change, responds to it, and exploits it as an opportunity.”<sup>72</sup>

Below is a quick summary of the evolving definition of the entrepreneur by economists and management thinkers in the twentieth century:<sup>73</sup>

1934: Joseph Schumpeter – The entrepreneur is an innovator and develops unique technology.

1961: David McClelland – The entrepreneur is an energetic moderate risk taker.

1964: Peter Drucker – The entrepreneur maximizes opportunities to create something new

1975: Albert Shapero – The entrepreneur takes initiative, organizes some social-economic mechanisms, and accepts risk of failure.

1980: Karl Vesper – The entrepreneur seen differently by economists, psychologists, business persons, and politicians.

1983: Gifford Pinchot – The intrapreneur is an entrepreneur within an already established organization

1985: Robert Hisrich – Entrepreneurship is the process of creating something different of value by devoting the necessary time and effort, assuming the accompanying financial, psychological, and social risks and receiving the resultant rewards of monetary and personal satisfaction.

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<sup>71</sup>Peter F. Drucker, *Innovation and Entrepreneurship* (NY: HarperCollins, 1985), 22.

<sup>72</sup>Drucker, *Innovation and Entrepreneurship*, 28.

<sup>73</sup>TsaoYuan Lee and Linda Low, *Local Entrepreneurship in Singapore: Private & State* (Singapore: Institute of Policy Studies, 1990), 72.

From the above definitions we can deduce that there are three aspects of entrepreneurship. The first aspect is the capacity for risk-taking (Drucker, McClelland, Shapero and Hisrich); second, the ability to innovate (Schumpeter, Drucker, Hisrich); and third, the need for managerial capability in order for the venture to succeed (Drucker, Shapero, Pinchot, and Hisrich).

For the purposes of this study, the definition of the entrepreneur is much wider and a lot less demanding than Schumpeter's or Drucker's. The definition of an entrepreneur in this study is confined to owner-managers of for-profit businesses. This entrepreneur organizes, manages, and assumes the risks of a business or enterprise. This definition is much closer to that of Robert Hisrich's but with an important difference; Hisrich's entrepreneur creates something different, whereas in this study an entrepreneur is one who starts any business. This definition includes not only those who started their own businesses, but also the second-generation entrepreneurs who inherited their businesses. The focus of this study is Chinese entrepreneurs in Singapore. This is critical as the local population in Singapore is mainly Chinese and most businesses are Chinese owned.

## Historical Beginnings Of Chinese Entrepreneurship In Singapore

The end of the Manchu Dynasty,<sup>74</sup> in the latter half of the nineteenth century, was marred by overpopulation, decadence, extreme conservatism in the administration, invasions, civil wars, and technical backwardness in agricultural and industrial productivity. The resulting famines, mass unemployment, and severe hardship forced many young people to leave their homeland in search of livelihoods overseas to support their families back in China.<sup>75</sup>

The mass exodus of people from China in the second half of the nineteenth century were headed toward different parts of Southeast Asia.<sup>76</sup> There was another exodus in the late 1940s and early 1950s as the Chinese fled the reprisals of the Communist revolution. This later exodus included a significant proportion of Chinese *bourgeoisie*. This latter group fled to East Asia<sup>77</sup> (Taiwan, Hong Kong), and Southeast Asia, with a small portion going to the Western world.

More than 50 million ethnic Chinese live around the borders of the South China Sea. These Chinese are mainly descendants of refugees from China more than 150 years ago. Taiwan, Hong Kong, and Singapore have 33 million Chinese people that form the majority of the populations in these countries. The Philippines, 1 percent, Indonesia has 4

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<sup>74</sup> The Manchus (a Jurchen tribal people) came from the broad plains of Manchuria. They found the Qing Dynasty which ruled China from 1644 to 1911, a long reign of nearly 300 years.

<sup>75</sup> Gordon Redding and Michael A. Witt, *The Future of Chinese Capitalism: Choices and Chances*, Oxford: Oxford University Press, 2007), 64.

<sup>76</sup> Southeast Asia refers to the region south of China and east of India. It is made up of Myanmar, Cambodia, Laos, Thailand, Vietnam, Malaysia, Brunei, East Timor, Indonesia, the Philippines, and Singapore. All of these countries are part of the Association of South East Asian Nations (ASEAN).

<sup>77</sup> East Asia refers to the area that includes China and countries east of China: Hong Kong, Taiwan, Japan and Korea.

percent Chinese, Thailand about 9 percent, and Malaysia about 35 percent. The combined ethnic Chinese population for the region comes to about 55 million.<sup>78</sup>

In the diverse environments of their new homes, these new Chinese migrants tried hard to adapt. In the article “Five Southeast Asian Chinese Empire-Builders: Commonalities and Differences,”<sup>79</sup> Jamie Mackie observes, “That quality of adaptability strikes me as one of the most interesting qualities of the overseas Chinese, not just here but also in many other parts of the world (in Australia particularly). It is a characteristic of the poor as well as the rich...the adaptability...has enabled them to fit amazingly well into a wide range of other countries, societies and culture all over the world.”<sup>80</sup>

This group of refugees and their descendants took themselves out of poverty to become the dominant economic elite of the region. The form of capitalism<sup>81</sup> they developed dominates the economies of East and Southeast Asia in the second half of the twentieth century. These ethnic Chinese develop capitalism by building on family businesses - businesses that are owned and operated by families.<sup>82</sup>

Singapore's early entrepreneurs were no exception. They were migrants from South China escaping poverty and looking for better lives. Many of the new arrivals in

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<sup>78</sup> Redding and Witt, *The Future of Chinese Capitalism*, 66.

<sup>79</sup> Jamie Mackie, “Five Southeast Asian Chinese Empire-Builders: Commonalities and Difference” in *Chinese Migrants Abroad: Cultural, Educational, and Social Dimensions of the Chinese Diaspora*, ed. Michael W. Charney, Brenda Yeoh, and Tong CheeKiong (Singapore: Singapore University Press and World Scientific, 2003), 3-22.

<sup>80</sup> Mackie, *Chinese Migrants Abroad*, 4.

<sup>81</sup> An economic system characterized by private or corporate ownership of capital goods, by investments that are determined by private decision, and by prices, production, and the distribution of goods that are determined mainly by competition in a free market. *Merriam-Webster Collegiate Dictionary 11<sup>th</sup> ed.* (Mass: Merriam-Webster, 2005).

<sup>82</sup> Redding and Witt, *The Future of Chinese Capitalism*, 9. Part of this introduction is also in Chapter 1.

nineteenth century Singapore started out as coolie laborers.<sup>83</sup> The new arrivals worked hard and saved enough capital to start their own businesses. These early entrepreneurs eventually formed businesses that were owned and operated by families.

In the last two decades, a limited amount of literature has been written about Singaporean entrepreneurs. Most of these studies date back more than a decade ago and explore the link between entrepreneurship and the early Chinese migration from South China during Colonial Singapore.

Chan and Chiang, Loh and Lee, and Lee and Low<sup>84</sup> are authors of three important books that studied the impact of colonialism, migration, and family and community life on the creation of the Singapore Chinese entrepreneur.

*Beyond Silken Robes: Profiles of Selected Chinese Entrepreneurs in Singapore* by Grace Loh and Su Yin Lee<sup>85</sup> examines the motivations and orientations of some of Singapore's early Chinese entrepreneurs, as well as contemporary entrepreneurs, against the backdrop of socio-historical changes that were taking place in Singapore during the last decades of the twentieth century.

*Stepping Out: the Making of Chinese Entrepreneurs* by Kwok Bun Chan and Claire Chiang is an award winning book that is considered one of the most extensively

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<sup>83</sup>Coolie is made up from two different Chinese characters, "hard" and "labor" meaning "hard labor."

<sup>84</sup>Kwok Bun Chan and Claire Chiang, *Stepping Out* (Singapore: Simon & Schuster (Asia), 1994). Grace Loh and Su Yin Lee, *Beyond Silken Robes: Profiles of Selected Chinese Entrepreneurs in Singapore* (Singapore: Times Academic Press, 1998). Tsao Yuan Lee and Linda Low, *Local Entrepreneurship in Singapore: Private & State* (Singapore: Institute of Policy Studies, 1990).

<sup>85</sup>Grace Loh and Su Yin Lee, *Beyond Silken Robes: Profiles of Selected Chinese Entrepreneurs in Singapore* (Singapore: Times Academic Press, 1998).

researched book on Singapore pioneer entrepreneurs.<sup>86</sup> The authors argue that the economic role of the entrepreneur evolves developmentally and is negotiated and articulated by “the actor” in the midst of a combination of socio-historical-cultural forces in his village in China and during subsequent adaptation years in Singapore.<sup>87</sup>

In their book, Chan and Chiang, identify three socio-historical-cultural influences on the early entrepreneurs: colonialism in Singapore, the location of Singapore as a busy free-port, and the poverty of the Chinese common folks coupled with the desire to provide for the family.

Today many of us (especially the writer) do not look back on our colonial past with fondness or gratitude. But Singapore’s British Colonial history is a fact, and a long one at that. Singapore was “founded” by the British in 1819 and while Malaysia gained independence in 1957, Singapore only received her independence in 1959 after 140 years of colonial rule. Modern or post-colonial Singapore has a history of only 45 years,<sup>88</sup> a third as long as her colonial history.

The British had an economic vision for the island – Singapore would be the base for British economic interests in the East, particularly in the Malay Archipelago. By making Singapore a free-port without duties or port charges, the British hoped to challenge the Dutch monopoly of trade in the region. The British had earlier lost their monopoly of the Indian trade in 1813 and that of the Chinese trade in 1833. Britain took

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<sup>86</sup> The book won the 1994 National Book Development Prize. This book integrates sociology, social psychology, history, and business management studies, and looks at the entrepreneur not from the vantage points of market planning and business calculus but from his own developmental complex of factors within and outside himself. Based on substantial oral history interview transcripts; this study examines the impact of personal values on the economic behavior of Singapore entrepreneurs.

<sup>87</sup> Chan and Chiang, *Stepping Out*, 341.

<sup>88</sup> After independence, Singapore joined Malaysia to form the Federation of Malaysia but left the Federation in 1965.

control of Singapore for strategic and commercial reasons in a bid to control the lucrative Sino-Indian maritime trade.<sup>89</sup>

The second key factor was Singapore's location as a free-port. The British were in Singapore not for charity or conscience. They came to generate revenue and income for their empire back home. "Any venture that might be a drain on its coffer – such as the provision of social welfare services to the colony's multifarious immigrant groups – was naturally eschewed by the empire builders."<sup>90</sup> Singapore's trading history and location made it an ideal place for a trade center, and the laissez-faire economic set-up of the British colonists attracted many Chinese immigrants to Singapore.

Together with the Chinese were immigrants from the sub-continent of India and the Malay Archipelago. Most of the immigrants, called *sinkheh*,<sup>91</sup> were indentured laborers, bonded to work for a fixed period for their employers who had paid the cost of their passages to the island. This traffic of laborers expanded rapidly as Singapore was the main entry port into the Malay Peninsula and mainland Southeast Asia. As a result, "by 1827, the Chinese had become the largest single ethnic group in the colony, and in 1867, they made up almost 65 percent of the inhabitants numbering 55,000."<sup>92</sup>

However, there was a dark side to the colonial capitalist's freewheeling ways. Loh and Lee observe, "The consumption of opium by this large population helped support the opium farm, which was the single largest source of revenue in nineteenth-century

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<sup>89</sup>Loh and Lee, *Beyond Silken Robes*, 3.

<sup>90</sup>Loh and Lee, *Beyond Silken Robes*, 3.

<sup>91</sup> This is a Chinese, Hokkien Dialect for "new guest."

<sup>92</sup>Loh and Lee, *Beyond Silken Robes*, 6.

Singapore.”<sup>93</sup> It was the tax from opium that made it possible for Singapore to be a free-port. Most Singaporeans today would shudder to think that the economy in early Singapore was actually built on the back of the opium trade.

Third, the poverty of the Chinese and their desire to provide for their families drove them to Southeast Asia. At the beginning of the twentieth century, China was a distressed society. Exploitative landlord-tenant relationships, gross social injustice, social insecurity and absence of opportunities combined with over-population and inflation created the conditions for massive departures of Chinese peasants. Unlike the Western countries, Chinese industrial development was fragmentary and lacking in focus. The intrusion of imperialistic capitalism left parts of China economically paralyzed. The “underdevelopment was characterized by great disparity in economic development between cities and the countryside, and by cottage industries, low capital investment and the prominence of small trading businesses which are not equipped to provide the impetus for economic growth.”<sup>94</sup>

The traditional ideal of the Chinese is to live in the ancestral village where one’s kinship ties are, and where one fulfils filial loyalty to one’s parents. However, the stories of the entrepreneurial success of fellow Chinese working overseas proved too much of a temptation for many aspiring young men who wanted better lives for their families.

The British policy of non-interference with trade and an economic system based on private enterprise and free trade suited the Chinese migrants’ agenda. The freewheeling ways in early Singapore provided tremendous opportunities for poor Chinese tradesmen and peasants. Despite the daunting weather and harsh living conditions, migration to

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<sup>93</sup>Loh and Lee, *Beyond Silken Robes*, 5.

<sup>94</sup>Chan and Chiang, *Stepping Out*, 128.



Singapore was an escape. It promised hope and was therefore a powerful motivation for youths to leave South China for colonial Singapore in order to earn a living to send money home. One Singapore immigrant-entrepreneur recollected “I have no choice but life in Singapore cannot be worse than that in the village...If others could make it, why not I?”<sup>95</sup>

The above three factors set the stage for young, energetic Chinese to venture to Singapore in the early part of the twentieth century, and laid the seeds for the development of pioneer Chinese entrepreneurship in Singapore. Loh and Lee observed that “the success of Chinese entrepreneurs in Singapore is, therefore, an unlikely one. Having neither the backing of the Chinese government nor that of the colonial authorities, the odds were stacked against them and the majority never found their pot of gold.”<sup>96</sup>

### **The Spirit Of Chinese Entrepreneurship**

Max Weber was the first to establish a link between religion and business by arguing for a connection between capitalism and Protestantism. Weber’s central thesis is that modern capitalism flourished, especially in countries such as, U.S. and U.K., where “ascetic” forms of Protestantism were important. This “spirit” of capitalism is irrational and unnatural and cannot have arisen without the support and sanction of the rational ethics of “ascetic” Protestantism.<sup>97</sup>

Capitalism is the prevalent system throughout the Western world today; starting from Europe it spread to the United States and then to the Far East within the last hundred

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<sup>95</sup>Chan and Chiang, *Stepping Out*, 347.

<sup>96</sup>Loh and Lee, *Beyond Silken Robes*, 4.

<sup>97</sup>Weber, *The Protestant Ethic and the Spirit of Capitalism*, 1958.

years. Capitalism is an economic system that is built on free and competitive markets, and private ownership of capital and properties. However there is a wide array of capitalistic economies. The United States and United Kingdom probably grant their markets the greatest freedom to promote competition, and avoid government ownership of capital and industries. At the other extreme is Singapore where markets are free and competitive but the government takes a leading role in the development and ownership of local industries.

Countries that adopted a different economic system are gradually moving towards an open market and market driven policies, as their experiments with collectivism and central planning failed to produce fruitful economic results. One such country is China. The world watches with amazement as the earth's largest society moves into modernity for the first time.<sup>98</sup> It is still unclear how these transformations from central planning to a market economy will evolve, and what the final form of Chinese Capitalism will be like.

A model of successful Chinese capitalism is already waiting in the wings. This is the capitalism that prevails over 50 million ethnic Chinese in the economies of East and Southeast Asia. By the second half of the twentieth century, this form of family based capitalism had come to dominate these regions. Singapore's entrepreneurs have been largely shaped by this form of capitalism. Throughout the region, this form of Chinese capitalism is comprised of entrepreneurs who personally owned firms that are usually small and medium enterprises (SME), based on family ownership or partnership.

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<sup>98</sup> China was ruled by imperialistic dynasties until 1911 when the last Manchu dynasty collapsed. This led to decades of civil war that was disrupted by the Second World War. The second massive transformation was the Communist revolution under Mao Zedong, normally dated from 1949. It led to the development of the world's largest collectivized state, but also created the follies of the Great Leap Forward, and the madness of the Cultural Revolution. The last transformation, is probably the most breathtaking, when Deng Xiaoping, in 1978, broke from dogma and nudged the huge country toward open market and market driven policies.

According to Weber, the spirit of Western capitalism was influenced by Protestantism. However, the spirit of Chinese capitalism is influenced by three very different factors and has four very distinct characteristics.

### **Three Key Influences On The Development Of The Spirit Of Chinese**

#### **Entrepreneurship**

Several key influences shape the overseas Chinese entrepreneurs. The first is the pervasive influence of Confucianism. Second is the centrality of family in the value system of the Chinese. Third, is a strong identification with ethnicity.

“Until the mid-twentieth century, China was so inseparable from the idea of Confucius that her scheme of government and society, her concept of the self and human relationships, and her construct of culture and history all seemed to have originated from his mind alone.”<sup>99</sup> Many Chinese concepts such as family, education, teacher, scholar, scholarship, refinement, humility, civility, order, obedience, the father, women, oppression, repression of impulse, conformity, timidity, and weakness are all linked to his teachings.

Confucius was born in 551 BC, toward the end of an era referred to in Chinese history as “the Spring and Autumn.”<sup>100</sup> His family name was Kong, Master Kong or Kong-fuzi became known in the West by the Latinized form of Confucius. His home was Lu, a regional state in northeast China, bound to the imperial court of the Zhou dynasty.<sup>101</sup>

Confucius is regarded as China’s “First Teacher.” He began his teaching career in his twenties or thirties. He was the first person in Chinese history to devote his whole life to teaching. He offered private tuition to educate the development of character instead of

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<sup>99</sup> Annping Chin, *The Authentic Confucius: a life of thought and politics* (NY: Scribner, 2007), 2.

<sup>100</sup> This is during the period from 771 to 481 BC.

<sup>101</sup> The Zhou dynasty ruled from 1045 to 221 BC.

vocation. He gathered around him a group of gentlemen-scholars thus starting the institution of the literati who have dominated Chinese history and society.<sup>102</sup>

Confucius considered himself “a transmitter and not an originator.” He was the rationalizer and justifier of the best of the ancient civilizations. He considered himself the inheritor and perpetuator of ancient civilization. “By his work of originating through transmitting, he caused his school to reinterpret the civilization of the age before him.”<sup>103</sup>

Confucius’s teachings are a set of ethical codes. His humanistic thoughts were the driving force in Chinese philosophy. His work forms the core of more than two thousand years of Oriental<sup>104</sup> civilization. His thoughts remain important for the understanding of the present as well as the past. “Yet Confucius is the property of not only the Orientalists: his ideas stood behind much of the rational social thought of the European Enlightenment, as great philosophers from Leibnitz on seized with delight “the perfect ethic without supernaturalism” that China offered them.”<sup>105</sup> Confucius’s rational and elaborate system of ethics and humanism is surprisingly more akin to post-modern thoughts than oriental mysticism.

With regard to the virtues of the individual, he emphasized human-heartedness and righteousness. Righteousness refers to the “oughtness” of a situation. “Everyone in society has certain things which he ought to do, and which must be done for their own sake,

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<sup>102</sup> Wing Tsit Chan, *A Source Book in Chinese Philosophy* (Princeton: Princeton University Press, 1963), 17.

<sup>103</sup> Yu-Lan Fung, *A Short History of Chinese Philosophy* (New York: The Free Press, 1976), 48.

<sup>104</sup> Japan and Korea are both deeply influenced by Confucian teachings.

<sup>105</sup> James Legge, *Confucius: Confucian Analects, The Great Learning & The Doctrine of the Mean* (New York: Dover Publications, 1971), back cover.

because they are morally right things to do.”<sup>106</sup> If however certain things are done because of other non-moral considerations then we are not acting in righteousness but are acting for “profit.”

James Legge, a missionary who arrived in Asia in 1839, observed that “ He (Confucius) reaches from the cultivation of the person to the tranquillization of the kingdom, through intermediate steps of the regulation of the family, and the government of the State, there is room for setting forth principles that parents and rulers generally may find adapted for their guidance.”<sup>107</sup>

Confucius laid down seven steps to achieve the great object: the investigation of things; the completion of knowledge, the sincerity of the thoughts; the rectifying of the heart; the cultivation of the person; the regulation of the family; and the government of the State. The completion of these seven steps will result in the peace of the kingdom.

Let us suppose that the cultivation of the person is fully attained, with every discordant mental element subdued. The regulation of the family will then naturally flow from this. When the family is regulated, the State will then be well governed.

The virtues taught in the family have their correspondencies in the wider sphere. Filial piety will appear as loyalty. Fraternal submission will be seen in respect and obedience to elders and superiors. ‘From the loving example of one family, a whole State becomes loving, and from its courtesies the whole State becomes courteous.’<sup>108</sup>

Confucius’s primary concern was a good society based on good government and harmonious human relations. He advocated a good government that rules by virtue and

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<sup>106</sup> Fung, *A Short History of Chinese Philosophy*, 42.

<sup>107</sup> Legge, *Confucius*, 29.

<sup>108</sup> Legge, *Confucius*, 30.

moral example. He stressed filial piety in the family and proper conduct or *li* (propriety, rites) in society.<sup>109</sup>

“The Chinese state is in essence the super-family of Chinese people. Within this structure, the maintenance of order was founded on the morally enriched prescriptions for relationship.”<sup>110</sup> This order is in accord with the order of the natural world. By cultivating interior goodness through social decorum, society at large would exhibit balance, reasonableness, and consideration.

Confucius's ideas were adopted as state orthodoxy in the Han dynasty, which lasted from 206 BC to 220 AD. For two thousand years, Confucian ideas contributed to the stability of the state and to the flourishing of the Chinese civilization. The thirteenth century brought a period of intellectual consolidation which attempted to fuse the humanism of Confucianism with the more nature-related Taoism and more spiritual Buddhism. This synthesis became known as neo-Confucianism; the prevalent philosophy of the Chinese that has lasted till the present day.<sup>111</sup>

Confucian education is not universal for overseas Chinese, and has been undermined by the powerful inroads made by Christianity via mission schools. However, Confucian-based education remains a force in Hong Kong, is dominant in Taiwan, and is officially sponsored in Singapore. It is commonly reinforced in Indonesia, Malaysia, and the Philippines by the social systems used to perpetuate Chinese ethnic solidarity. In recent decades, the rise of China as an economic power has been accompanied by an

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<sup>109</sup> Chan, *A Source Book in Chinese Philosophy*, 15.

<sup>110</sup> S. Gordon Redding, *The Spirit of Chinese Capitalism* (New York: Walter de Gruyter, 1993), 44.

<sup>111</sup> Redding, *The Spirit of Chinese Capitalism*, 49.

interest in both the Chinese language and the teachings of Confucius. Books, magazines and even cartoons have been developed to promote the thoughts of Confucius.

Confucianism has three distinct differences over other religions. It has no deity but is based instead on an elaborate set of rules of conduct. Next, it is promoted as a philosophy and therefore does not compete with other religions; Confucianism lives in the minds of the Chinese alongside Buddhism, Taoism and even Christianity. Finally, as a philosophy it has no large-scale institutional “church” with priests, ceremonies and laity.<sup>112</sup>

The lack of institutional structure and of an identifiable laity means, of course, that to profess oneself a Confucian is , although not empty of meaning, nevertheless not as clearly committing a statement as professing Islam or Christianity. Confucianism, like capitalism, is a matter of what you do. In consequence, the Asian region is full of people who behave according to Confucian precepts but who would not think of themselves as members of a Confucian sect, its power is thus widespread but extremely difficult to delineate.<sup>113</sup>

The second key influence on the overseas Chinese is the central role of the family in their lives. “This is a consequence of the Confucian state ideology designed to leave welfare as primarily a family issue, and to concentrate people’s loyalties on the family as a means of stabilizing the state.”<sup>114</sup> The achievements of the individual become an aspect of the family’s achievements.

Apart from Confucius’s teachings there is another factor that creates this centrality of family. Most of the Chinese migrants to Southeast Asia, including to Singapore, are from the rural areas of South China. For most of Chinese history, these peasants’ existence was barely above subsistence level. Life was tough for the average Chinese peasant, and

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<sup>112</sup> Redding, *The Spirit of Chinese Capitalism*, 47.

<sup>113</sup> Redding, *The Spirit of Chinese Capitalism*, 47.

<sup>114</sup> Redding, *The Spirit of Chinese Capitalism*, 46.

there were no securities offered by their imperial overlords. In such an economy based on muscle power, it was inevitable that the central focus of life was the family. The family's capacity to provide for its members was in proportion to the loyalties and contributions it could command from its members. Confucianism as the state religion served to reinforce acceptance by all that the basic building block of society is the family.<sup>115</sup>

Another factor that reinforces the centrality of the family is the village system. The village system is the root of Chinese society. "Face, favor, privilege, gratitude, courtesy, official corruption, public institutions, the school, the guild, philanthropy, hospitality, justice and finally the whole government of China – all spring from the family and village system. For from the family system there arises the family mind, and from the family mind there arises certain laws of social behavior."<sup>116</sup>

An extension of this family-centric mindset is the importance of networks in fostering close relationships between individuals; these networks are usually based on lineage, the village and special interest associations. The lineage is an extension of the family and is normally defined as the patrilineal descendants of a particular, identifiable ancestor. Lineage identity is a pass to obtaining assistance in times of trouble. This identity is preserved and reinforced in the ritual of births, marriages, and funerals.

The Chinese village is the geographical location where rival families and lineage groups come to accommodate to each other. Its utilities are defence, exchange, and shared facilities. The village offered a viable and not necessarily contradictory alternative identity to that of family membership. Village life is not a "community" as understood in the West. Below the surface bonhomie of much social interaction hides a wary distancing from close

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<sup>115</sup> Redding, *The Spirit of Chinese Capitalism*, 29.

<sup>116</sup> Yutang Lin, *My Country and My People* (Singapore: Culture Lotus 2001), 176.



involvement with others. It characterizes the social contexts where many overseas Chinese remain “minimally integrated,” and which are seen as concentric circles – family, lineage group, no-man’s land.<sup>117</sup>

For the overseas Chinese, away from their traditional ties of family and lineage, the third network comes into play. This has been significant for the Chinese outside China, more so when they are part of a host nation and in need of cooperation among themselves. This network takes the form of a voluntary association. A study in Singapore found these associations to be commonly organized along four main lines: based on kinship identifiable by a surname; based on area of origin in China; based on similar dialect; and based on the occupation or craft reminiscent of the guilds of traditional China.<sup>118</sup>

In colonial Singapore, the focus of the ruling government was to enhance the imperial treasury. Any provision of benevolent services to the immigrants was naturally avoided. With no support from their home government in China or the colonial administration, the Chinese migrants in Singapore developed a distinctively clannish identity for social support and economic survival.

Kinship ties among the Chinese in Singapore were nurtured in the voluntary associations, and became stronger overseas than among those in the home villages in China. “These kin and ethnically-defined networks proliferated in the colony. In 1900, Singapore had more than 50 such organizations; by the outbreak of the Second World War, the number had swelled to over 200.”<sup>119</sup>

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<sup>117</sup> Redding, *The Spirit of Chinese Capitalism*, 56.

<sup>118</sup> Redding, *The Spirit of Chinese Capitalism*, 56.

<sup>119</sup> Loh and Lee, *Beyond Silken Robes*, 9.

The third and last key factor of influence is the strong identification with their ethnicity. This is the result of living in foreign social environments that were resentful, and at times even openly hostile, which forced these Chinese to defensively rely on their own resources. This hostile environment created a natural tendency for the overseas Chinese to identify with China and derive a cultural identity from it.<sup>120</sup>

Southeast Asia has a history of anti-Chinese rioting; the most recent event was during the Asian Financial Crisis in 1998-1999, when many Chinese were killed during rioting in Indonesia. Several factors contributed to the ill feelings toward the Chinese: the relative success of the Chinese compared to the indigenous population, and a system of prejudices against the Chinese put in place by the local governments.

One of the key contributions to the strong identification of Chinese ethnicity has been the economic successes of the overseas Chinese. Their successes are out of all proportion to their numbers in the ASEAN countries. In a study of Iloilo Chinese in the Philippines, Omohundro found that the Chinese make up only 2 percent of the city population but pay 35 percent of its business taxes. This kind of success, repeated in country after country, inevitably produced a local resentment.<sup>121</sup> This resentment created a wary and defensive insistence on the part of the Chinese to maintain their group solidarity and identity.

Another contributing factor to the tight Chinese ethnicity has been the policies of the host governments. The separateness of the Chinese from the indigenous population has been further amplified by the local governments' actions in parts of Southeast Asia including control of access to universities (Malaysia), the mandatory participation of the

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<sup>120</sup> Redding, *The Spirit of Chinese Capitalism*, 35.

<sup>121</sup> Redding, *The Spirit of Chinese Capitalism*, 57.

indigenous Malays as shareholders of all listed companies (Malaysia),<sup>122</sup> the ban on celebrating of Chinese festive holidays (Indonesia), the ban on the publishing of anything with Chinese script (Indonesia),<sup>123</sup> and occasional legislation aimed specifically at displacing Chinese businesses from certain sectors of the economy.

The success of Chinese businesses throughout Southeast Asia is even more remarkable when you consider the odds that were against them. According to Lynn Pan, “They might have had the will, energy, flair and capital to do well, but governments of their adopted countries have allowed these qualities to flourish only grudgingly.” The Chinese in Asia are disliked for having profited from the indigenous reluctance to make money.<sup>124</sup>

The identification of a “common enemy” banded the Chinese together and strengthened their ethnic identity. Even without a “common enemy,” staying among one’s own people brought simple human comfort that is a common social phenomenon worldwide. However, in the case of the Chinese an extra incentive exists to dissuade incursions of outsiders or the venturing out of insiders.

This is the awesome barrier of the Chinese language, fluency in which only comes at a very high price. For a Chinese to give this up is a major sacrifice; for a foreigner to learn it is a major challenge. As long as the Chinese language is retained, Chinese separateness will be sustained in host countries, and elsewhere Chinese ethnicity will be daily demonstrated and reinforced.<sup>125</sup>

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<sup>122</sup> The economic bias for the Malaysians *Bumiputras* (son of the soil) was created during the last government (Mahathir’s) but this has now removed under the new government of Prime Minister Najib.

<sup>123</sup> This has only been lifted in the last decade by the late Indonesian President, Wahid.

<sup>124</sup> Lynn Pan, *Sons of the Yellow Emperor: The Story of the Overseas Chinese* (London: Arrow Books, 1990), 225.

<sup>125</sup> Redding, *The Spirit of Chinese Capitalism*, 58.

Under these circumstances, it is not surprising that China and its philosophies of living should remain a basic reference point, nor it surprising that, in the turmoil and uncertainties of the past century, the traditions of an earlier Chinese civilization should continued to be magnetic.

#### **Four Distinct Characteristics Of The Spirit Of Chinese Capitalism**

Four distinct characteristics of Chinese entrepreneurship can be observed throughout most Chinese businesses not only in Southeast Asia but also in North America and Australia. These four characteristics are: the involvement of the owner's family, a patriarchal organization structure, a serious work ethic, and pragmatism.

No study of Chinese entrepreneurship can be complete without understanding the role of family in Chinese businesses. In a study of Hong Kong society, Lau (1982) describes the "utilitarian familism" that prevails even today in Hong Kong and many overseas Chinese societies.<sup>126</sup> Families remain the basic survival units that are largely self-sufficient but do not fuse naturally into the general community. They are in competition with other families, and "members are largely motivated by the pragmatic exigencies of protecting and enhancing the family resources on which they are highly dependent."<sup>127</sup>

The notion of family extends beyond its members to encompass its property, its reputation, its internal traditions, its ancestors' spirits, and even its future unborn generations.<sup>128</sup> A person is perceived to exist only in terms of his immediate family

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<sup>126</sup> Redding, 53, making references to Lau, Siu Kai, *Society and Politics in Hong Kong* (HK: Chinese University Press, 1982).

<sup>127</sup> Redding, *The Spirit of Chinese Capitalism* 53.

<sup>128</sup> Martin Yang, *A Chinese Village* (NY: Columbia University Press, 1945), 45.

network; Society, by extension, is perceived as comprising of families. Within the family, its regulation is based on a set of rules and deference.

The family has always been a source of cheap, exploitative and readily available labor. However, the family is not just an economic source but an emotional one as well. The familial values of commitment, loyalty, protection, welfare, paternalism and obligation provide the emotional support to start and build a business.

The family business is not only important for a start up, but for established businesses as well. Oberoi of India,<sup>129</sup> New World Group of Hong Kong,<sup>130</sup> Rajawali Group of Indonesia<sup>131</sup> and F.J. Benjamin of Singapore are all publicly listed corporations and yet have three generations of family working in the businesses. Of the four, two are Chinese, one is Indian, and the other Jewish. However, these three ethnic groups share a common belief in “familism.”

The 74 year old, F. J. Benjamin, the patriarch of the luxury retailer F. J. Benjamin, concluded his interview in the *The Straits Times* with deep satisfaction about his business. “The two things that I love in my life are my family and my business, and I’m very happy I have my family in my business and that the two are integrated so well.”<sup>132</sup>

According to Zhang and Ma:

Familism refers to values emphasizing the loyalty, commitment and contribution to the family, and respect for family-based authority and hierarchy. Founders of family businesses go about establishing and developing organizations for the purpose of creating enduring family legacies and economic value (Chrisman et al.,

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<sup>129</sup>Naazneen Karmali, “The Raja of Rooms.” *Forbes Asia*, January 12, 2009, 68-69.

<sup>130</sup>Russell Flannery, “New World’s New Face.” *Forbes Asia*, February 16, 2009, 34-36.

<sup>131</sup>Schultz KerenBlankfeld, “Know Thyself” *Forbes Asia*, March 30, 2009, 42-44.

<sup>132</sup>Michelle Tay, “Tales of a luxury retailer.” *The Straits Times* Monday, April 27 2009, C4.

2003). This has particular significance for Chinese family business due to the central role of family in Chinese society. Most scholars who study overseas Chinese family business found that Familism is the most important cultural factor that affects business structure and strategy.<sup>133</sup>

Familism forms the cohesion and momentum in starting a new business and helps sustain the business when it is small. It emphasizes loyalty to the family and involves taking care of family members. However, familism also limits control and running of the business to the family, and excludes non-family members. Wee-Liang Tan and Siew Tong Fock in studying the Chinese firms in Singapore, note:

The issues confronting Chinese family businesses are similar to those that other family businesses in other cultures face. The difference lies in the centrality of the family and the family values in Chinese family businesses... Family businesses in other cultures are, more likely than not, prepared for the separation of ownership from management of their businesses. Chinese family businesses prefer to see both family ownership and management continue. Chinese family businesses display the classic form of family business... where the family is entrenched in ownership and management with limited involvement by nonfamily members.<sup>134</sup>

The above has the advantages of low agency cost, cost-efficiency, responsiveness and flexibility. But familism could be one of the reasons why many Asian - and particularly Chinese - businesses continue to be small as they are limited to the resources of the family. However, more and more Asian and Chinese businesses are able to maintain the value of the family and the incorporation of professional management. The above four examples of Oberoi, New World, Rajawali and F. J. Benjamin have combined both familism and professional management to expand, and to become admired and trusted corporations.

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<sup>133</sup>Jianjun Zhang and Hoa Ma, "Adoption of professional management in Chinese family business: A multilevel analysis of impetuses and impediments," in *Asia Pacific Journal of Management*, vol.26, No.1, (March 2009) (Springer Science + Business Media, LLC, 2008).

<sup>134</sup>Wee-Liang Tan and Siew Tong Fock, "Coping with Growth Transitions: The Case of Chinese Family Businesses in Singapore," in *Family Business Review* 2001; 14; 123.  
<http://fbr.sagepub.com/cgi/content/abstract/14/2/123>.

Zhang and Ma examine sixteen impetuses and impediments that affect the professionalization of Chinese family businesses at the environment, firm and owner levels. Whether a Chinese family business owner will adopt professional managers is largely determined by the relative strength of impetus and impediment factors. For example, large market size, intense competition and a dynamic market will have positive effects on the adoption of professional managers, whereas familism (respect for family-based authority and hierarchy) will have a negative effect on the adoption of professional managers.

Related to the topic of familism is the issue of control by the founder. Noam Wasserman, "The Founder's Dilemma," *Harvard Business Review*, February 2008, argues that entrepreneurs need to be clear between choosing money and power.<sup>135</sup> Founders who want to manage empires will not believe they are successes if they lose control, even if they end up rich. On the other hand founders whose goal is to accumulate wealth will not see themselves as failures when they step down from the top job.

However, Wasserman is writing from the context of the United States. Entrepreneurs in Asia have a greater tendency to view their businesses as part of the "family" and will be very reluctant to cede control of the family jewel. Unfortunately, control of the business will usually come at the expense of its growth. If Chinese businesses want to expand and seek meaningful long-term growth, it is necessary for them to seriously consider adopting professional management.

The centrality of family in the Chinese mindset results in another distinct characteristic in the Chinese business: a patriarchal business structure. This second key

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<sup>135</sup>Noam Wasserman, "The Founder's Dilemma." *Harvard Business Review* (February 2008): 104-109.

characteristic permeates most Chinese organizations and their businesses. Compliance is valued and ultimate power resides almost exclusively with the head of the family or the head of the organization.

The foundation stone of Chinese relationship is filial piety. The Chinese person emerges from nearly 20 years of disciplined paternalism at home which has been further reinforced in schools controlled by autocratic teachers. An individual is created who in his or her behavior and attitudes displays a strong sense of vertical order. This individual understands that he or she ranks naturally below some people, and, just as significantly, above others.<sup>136</sup>

The Chinese individual has a built-in sense of legitimacy of the superior-subordinate relationship. In the Western organization, considerable energy goes into ways of justifying the authority structure, and an equal amount to challenging it from below. For the Chinese, it is an extension of a natural order. The open challenge of formal authority is rare but subtle resistance and disguising the unwillingness to conform takes many forms. Nevertheless, the rights and duties of positions at the various rungs of the corporate ladder are generally understood and accepted. This ensures that decision-making rights are not normally disputed. "Leadership is looked for and more or less followed. Also loyalties, and its extension in diligence, are, under normal circumstances, offered from below as part of the exchange."<sup>137</sup>

The lifelong cultivation of filial piety sets the tone for the larger social structures, as its basic design has traditionally been extended to the state. This creates a vertical order which, although not unique in world terms, is nevertheless derived from distinct causes.

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<sup>136</sup> Redding, *The Spirit of Chinese Capitalism*, 61.

<sup>137</sup> Redding, *The Spirit of Chinese Capitalism*, 61.



Paternalism for the Chinese does not carry the same stigma as in the West. The word, paternalism, may not even carry the same meaning. Whereas in the West it signifies control and inflexibility; in the minds of the Chinese it signifies security and commitment.

Lucian Pye notes from his study of power in Asia:

In most Asian cultures, leaders are expected to be nurturing, benevolent, kind, sympathetic figures that inspire commitment and dedication. The Western concept of the leader as being the commanding executive, firm in decision making...is less appreciated in Asia. The relationship of power to the responsibilities of office accountability rests upon quite different concepts of power and authority.<sup>138</sup>

Pye and others collaborated on several empirical research studies to find out how paternalistic power relationships work in Asia, and particularly within the tradition-carrying overseas Chinese family businesses. They found several themes:

1. Dependence of the subordinate, as a mind set.
2. Personalized loyalty leading to willingness by subordinates to conform.
3. Authoritarianism modified by sensitivity to subordinates' views.
4. Authority not divisible when it has become so clearly identified with a person.
5. Aloofness and social distancing within the hierarchy.
6. Allowance of the leader's intentions to remain loosely formulated.
7. The leader as exemplar and "teacher."<sup>139</sup>

The study highlights the deep personal relationship between the leader and subordinate. Loyalty is not so much to the organization but to the person heading the organization. This inclination towards paternalism in the family business denies the emergence of the objectivity and neutrality in which truly rational and professional

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<sup>138</sup> Lucian Pye, *Asian Power and Politics* (Cambridge, MA: Harvard University Press, 1985), 28 as quoted in Gordon Redding, *The Spirit of Chinese Capitalism*, (NY: de Gruyter, 1993), 129.

<sup>139</sup> Redding, *The Spirit of Chinese Capitalism*, 130.

bureaucracy can flourish. Instead the overseas Chinese business tends towards “personalism,” or a tendency to allow personal relationship to enter decision-making.

Therefore, in personalism, it is not what you know but who you know. The “who” are people with the right connections.

At the extreme, it becomes impossible to make anything happen without access to the blessing of those in the key positions, and successful organizational life comes to be based on the building and maintenance of the appropriate contacts. The holding of a key position carries with it inordinate influence and can be used to advance the security of its occupant as he shows patronage and favor to individuals capable of repaying obligation with deference and loyalty.<sup>140</sup>

The third characteristic is the willingness to work hard. The Chinese were traditionally seen as hard-working in many historical accounts. Sir Thomas Herbert’s “infinitely industrious Chynesese” viewed the Chinese as ideal laborers and reliable intermediaries during the colonial period. Their work in the plantations attested to their superior industry, though they were prone to drive a hard bargain, insisting on piece work. They would also take on heavier and more difficult tasks.<sup>141</sup>

Herman Kahn attributes the success of the “post-Confucian” cultures of East Asia to the Chinese “seriousness about tasks.”<sup>142</sup> Kahn argues that this sense of responsibility which reaches unusually high levels is based on the onus of duty which turns filial piety into practice. “In a society where each family is dependent on its own resources for its survival, and where each individual is in turn dependent on family support for so much in

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<sup>140</sup> Redding, *The Spirit of Chinese Capitalism*, 135.

<sup>141</sup> Victor Purcell, *The Chinese in Southeast Asia* (Oxford: MA: Harvard University Press, 1965), 342 as quoted in S. Gordon Redding, *The Spirit of Chinese Capitalism*, (NY: de Gruyter, 1993), 69.

<sup>142</sup> Herman Kahn, *World Economic Development: 1979 and Beyond* (London: Croom Helm, 1979):

life, the person who is not working as hard as he or she might for the common good will come under intense social pressure.”<sup>143</sup>

This work ethic permeates the overseas Chinese life. Whether it is the result of family duty, acceptance of discipline, fear of insecurity, bred tolerance of repetition, or highly tuned pragmatism, its universality is sufficient to make it an expectation of those dealing with the Chinese.

In Singapore, the industry of the early Chinese is well known. According to Loh and Lee in *Beyond Silken Roads*, millions left the shores of China to seek a better life in Singapore and elsewhere. Those who came were subjected to long working hours which could stretch to 14 hours a day, and many became victims of diseases, heat stroke or opium addiction.<sup>144</sup>

From the analysis of the oral interview transcripts by Chan and Chiang, the early generations of Singapore’s entrepreneurs were handicapped in their lack of education, skills and personal networks; they had limited job options or prospects. They came to Singapore prepared for hard work, in hopes of sending money home and eventually returning to China wealthy.

Grounded in a pragmatic work ethic celebrating “work as passion” and propelled by a hope and a dream that life would be better; the sinkhehs (Hokkien for newly arrived guests) plodded on in work and persistently engaged himself in challenge and opportunity. This was the fundamental entrepreneurial spirit – forever having their teeth in some sort of work, persevering, searching and striving for something better. If they had been defeatist and fatalistic – and attributed life situations to ill luck and poor fate – nothing would have been gained.<sup>145</sup>

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<sup>143</sup> Redding, *The Spirit of Chinese Capitalism*, 69.

<sup>144</sup> Loh and Lee, *Beyond Silken Robes*, 12.

<sup>145</sup> Chan and Chiang, *Stepping Out*, 349.

The backgrounds of and challenges facing today's entrepreneurs are very different from those that the pioneers encountered. The new entrepreneurs are more educated, well travelled and have opportunities to pursue other careers, but may lack the "never-say-die" attitude of the pioneers. The pioneers who were bold enough to leave China had already taken a risk by betting their futures on a dangerous boat journey and living an uncertain life on a disease prone tropical island. The spirit of striving for something better fed a work ethic of perseverance and hard work.

The fourth and final characteristic of Chinese businesses is pragmatism. In his study on Chinese capitalism, Redding noted that the Chinese are pragmatic as a race for several reasons: (a) Chinese perception is especially "immediate" and sense-based probably as a result of their use of the Chinese language which is essentially graphic rather than phonetic. The Chinese language was developed based on the medium of the senses and on what was "seen," (b) Chinese morality under the ethical influence of Confucianism is contingent rather than being based on absolutes, (c) Social control comes principally from one's immediate circle, and (d) dedication to family survival is a dominating motive for behavior. "In these circumstances the taking of decisions on what appear as practical grounds is to be expected."<sup>146</sup>

This Chinese pragmatism is frequently manifested in two areas: money-mindedness and frugality. Westerners in Hong Kong and Singapore are frequently bemused to find the Chinese people so ingenuous over the topic of money. "To be asked at

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<sup>146</sup> Redding, *The Spirit of Chinese Capitalism*, 73.

a cocktail party how much you paid for your suit or what you are paying the caterers is for them perfectly normal and not something to be whispered out of earshot.”<sup>147</sup>

This frankness suggests that money itself is an especially potent symbol, around which the Chinese derives important meaning. This can be attributed to the need for developing a psychological armory to fight against the long battles of uncertainty and insecurity that were present in their history.

It should be noted that money-mindedness in China has commonly been attributed to the southerners. The South has always been perceived as an outlandish and uncultured deviance from the central civilization based in the northern city of Beijing. In addition, many of overseas Chinese came from the peasant and artisan classes in the South, and due allowance should be made for their possibly heightened sense of pragmatism.<sup>148</sup>

Chinese children are also raised at an early age to value money, to bargain, and to save. This propensity to save is especially prevalent in those who grew up poor. Ong Sing Pang, an entrepreneur in Singapore, noted:

This is a realistic society...If you do not have some status, some savings of your own, some success to back you up; it is of no use no matter how capable you are. This is not just a Singaporean phenomenon. It is like this all over the world. It is worse in Hong Kong; people there are even more money-minded. Therefore, one must realise the value of money and guard it well – not waste it so easily, it is the only vehicle that allows you to succeed eventually.<sup>149</sup>

Apart from money-mindedness, the other aspect of Chinese pragmatism is frugality. Redding warns that care must be taken to not view this frugality in Western terms, where frugality is often associated with meanness. The Chinese’s hospitality and

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<sup>147</sup> Redding, *The Spirit of Chinese Capitalism*, 39.

<sup>148</sup> Redding, *The Spirit of Chinese Capitalism*, 71.

<sup>149</sup> Chan and Chiang, *Stepping Out*, 246.

sensitivity to the perceptions of others are such that scrooge-like meanness appears to be extremely rare. Chinese frugality “is more about self-denial (perhaps strictures within the family) than of an unashamed parsimony. It would be for instance almost inconceivable for a Chinese to emulate J. Paul Getty in providing guests with a pay phone.”<sup>150</sup>

## **Entrepreneurial Skills**

### **Why Do Singaporeans Start Businesses?**

In his fascinating book, *The Illusions of Entrepreneurship: The Costly Myths That Entrepreneurs, Investors, and Policy Makers Live By*,<sup>151</sup> Scott Shane, a professor of entrepreneurial studies in Case Western Reserve University, argues that the failure rate of new businesses in the United States is disappointingly high. Too often, enthusiastic would-be entrepreneurs and investors operate under a false set of assumptions about the successes and impacts of entrepreneurship.

Shane’s wide ranging survey of American businesses found key reasons why Americans start new businesses:

- (i) Mostly to avoid working for others. The typical entrepreneur does not start businesses because of a desire to make money, for the thrill of starting businesses, to support their family, or to become well-known. The typical entrepreneur starts a business because he does not like working for someone else.

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<sup>150</sup> Redding, *The Spirit of Chinese Capitalism*, 71.

<sup>151</sup> Scott A. Shane, *The Illusions of Entrepreneurship: The Costly Myths That Entrepreneurs, Investors, and Policy Makers Live By* (New Haven: Yale University Press, 2008), chapter 3.

- (ii) The characteristics that makes people more likely to start businesses aren't all desirable; people who are unemployed, work part-time, have changed jobs often and make less money are more likely to start their own businesses.
- (iii) Experiences that increase a person's odds of starting a business are: going to college, getting a professional degree, and having some experience managing others in a business setting.
- (iv) Experiences that don't increase a person's odds of starting a business are: being an immigrant, dropping out of school and being a good networker.<sup>152</sup>

Shane set out to counter the myth that entrepreneurs are a special class of people with extraordinary foresight, guts, and capabilities. According to many analysts, entrepreneurs have a special psychological makeup. "They are more passionate, creative, innovative, risk taking, driven, and more optimistic than you or me."<sup>153</sup> Instead, he found entrepreneurs to possess few differences in psychological factors compared to other people, much fewer than demographic factors like age, race, and gender. "The psychological factors –like risk tolerance, social confidence, anxiety-acceptance, novelty focus, role-expectation, and recognition seeking –that people associate with being an entrepreneur are only the slightest bit different among entrepreneurs and non-entrepreneurs."<sup>154</sup>

It is difficult to decide if Shane's findings are applicable to Singapore, bearing in mind our huge historical, geographical and population-makeup differences. No comprehensive study of the same scale has been conducted in Singapore to enable

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<sup>152</sup> Shane, *The Illusions of Entrepreneurship*, 62-62.

<sup>153</sup> Shane, *The Illusions of Entrepreneurship*, 41.

<sup>154</sup> Shane, *The Illusions of Entrepreneurship*, 42.

comparison. The most recent book that focuses on why Singaporean entrepreneurs start their businesses was written in 1990. Six factors were listed by Tsao Yuan Lee and Linda Low,<sup>155</sup> as reasons for Singaporean entrepreneurs to take the plunge: family environment, long-cherished ambition, previous job, perception of business potential, a hobby or a love that becomes a profession, and the “by accident” factor.<sup>156</sup>

Firstly, the family environment can influence the start-up decision in two ways. It can allow the would-be entrepreneur to acquire experience in the family business, and then branch out on his or her own in the same line of business. It can also provide an environment conducive to a business career.

Secondly, being one’s own boss and having one’s own company is a cherished dream among many people. Lee and Low gave several examples of successful executives who abandoned their bright careers to be entrepreneurs.

Thirdly, a previous job can influence a would-be entrepreneur in two ways. He or she could be dissatisfied with the job and be pushed to start his or her own business. More importantly, the previous job can provide the experience needed to start a new business in the same industry. Lee and Loh gave many examples of entrepreneurs who started new ventures based on their prior work experiences.

Fourthly, all those who started up on their own must have made their calculations of the market potential, regardless of other motives. These calculations may or may not be accurate but it is certainly an important motivation factor for a would-be entrepreneur.

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<sup>155</sup>Lee and Low, *Local Entrepreneurship in Singapore*.

<sup>156</sup>Lee and Low, *Local Entrepreneurship in Singapore*, 127 to 128.



The last two factors of a hobby becoming a business and the “by accident” factor are probably less common simply because in the harsh world of business, most start ups are unlikely to survive if they are treated as a “hobby” or “accident.” Business exposure (factor one), drive (two), experience (three) and potential (four) are the indispensable ingredients needed to increase the new venture’s chance of survival.

There are some parallels between the Shane and Lee and Low studies. The most important common factor is a desire to work for oneself. Shane puts the desire to avoid working for others as the most common reason that prompts people to start a business. Lee and Low found the long-cherished ambition to be one’s own boss as important. The other common factor in encouraging people to start their own business is previous job experience.

Since they were written in 1990, are Lee’s and Loh’s six factors still relevant? In the last 20 years Singapore has experienced tumultuous economic development and growth, and this research hopes to understand some of the factors that influenced the contemporary Singapore Chinese entrepreneurs to start their own businesses.

### **Are Singaporeans Less Entrepreneurial?**

How entrepreneurial are the Singaporean Chinese compared to their counterparts in Asia? Ramachandra argues that entrepreneurs in Singapore are risk averse and less entrepreneurial than those in most other countries because of our Asian heritage and British colonial legacy.<sup>157</sup> Scholars are highly regarded by not only the Chinese, but by Malays and Indians as well. However, businessmen are low on the social ladder. Even

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<sup>157</sup>Rameshwari Ramachandra, *The Big Jump into Entrepreneurship* (Singapore: Horizon Books Pte Ltd, 2003).

successful businessmen insist that their children have good educations in order to become academics, doctors or lawyers.

During the period of British rule, serving under the British generally increased one's social standing. A civil service job meant an iron rice bowl. This belief however, is gradually diminishing as more opportunities in other careers are created in contemporary Singapore.

Singapore is the only exception in Southeast Asia where Chinese form the majority of the population. This is the only overseas Chinese state where the environment is truly benevolent for the Chinese people, and free from fear of the future. It is no surprise that the values of the Chinese in Singapore are gradually diverging from those in the rest of the region.<sup>158</sup>

A good example of growing divergence in the entrepreneurial spirit between two groups of overseas Chinese can be found in the comparison between Hong Kong and Singapore. Both countries were former British Colonies populated by mainly overseas Chinese from South China. Both countries are geographically small in size and have populations that are very similar: approximately seven million in Hong Kong and five million in Singapore.

Hong Kong was under British control for a hundred years. In 1997, Hong Kong's political control reverted back to China and she is now one of China's Special Administrative Regions (SARs). Singapore, on the other hand, was a British Colony from 1819 to 1959. Both countries were promoted and developed as ports of entry to the various

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<sup>158</sup> Redding, *The Spirit of Chinese Capitalism*, 35.

regions in Asia because of their strategic geographic locations: Singapore as the entry to Southeast Asia and Hong Kong as the entry port to China and North Asia.

There is however a major divergence in the governing of Singapore and Hong Kong. Post-colonial Singapore has adopted English as the first language of educational instruction and uses it as the official language of the government. At the same time the Singapore government has adopted an active role in leading and participating in the local economy. Hong Kong, on the other hand, chose Cantonese (a Chinese dialect) as the language of instruction in their schools. It is only in recent years that the use of English and Mandarin has been encouraged. In their leadership of the economy, the Hong Kong government has continued the previous British Colonist's policy of adopting a *laissez-faire* approach to economic management.

"Cultural values and the state in Hong Kong and Singapore" by Siu-lun Wong in the book *Chinese Business Enterprise in Asia*, examines the divergent paths of entrepreneurial growth for the Chinese communities in Hong Kong and Singapore.<sup>159</sup> Singapore has pursued state-led public entrepreneurship whereas Hong Kong relies mainly on its private entrepreneurs. However, their differences are converging, with both countries pursuing policies to enhance both public and private entrepreneurship. The author raises concerns that the "deculturation" of Singapore will erode the traditional Confucian values that are responsible for its successful entrepreneurial development.

On the other hand, Loh and Lee in *Beyond Silken Roads*, challenge the popular belief that local entrepreneurship in Singapore is lagging behind other Chinese communities in Asia. This perception of weak local entrepreneurship stems from the

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<sup>159</sup>Siu-lun, Wong, "Cultural values and the state in Hong Kong and Singapore," in *Chinese Business Enterprise in Asia Chinese Business Enterprise in Asia* (London: Routledge, 1995).

relatively small role played by individual local firms when compared to the much larger multinational and public sector. The numbers of local firms are substantial but most lack scale.

Loh and Lee trace the changing entrepreneurial needs in the shadow of the development of trade and commerce in post-colonial Singapore's ambitious industrialization of the island. A new face of entrepreneurship in the industrial and engineering sectors was encouraged. The Singapore government played a prominent role in charting the republic's economic destiny during the first few years of independence. The emphasis on industrialization and manufacturing created a shortage of indigenous entrepreneurs in the industrial sector. Among the reasons for the shortage were: the long history of trading that bred entrepreneurs with short-term trading mindsets, the small size of the local markets, lucrative jobs in the government and multi-national corporations (MNCs), and the high Central Provident Fund (CPF)<sup>160</sup> contribution.<sup>161</sup>

Loh and Lee conclude that history has proven that Singapore has a long entrepreneurial tradition. What were lacking in the immediate post-independence period were entrepreneurs familiar with high-technology export-oriented industries. Traditionally, Singaporean entrepreneurs tended to concentrate on non-manufacturing, trading related, wholesale and retail trade, construction, transport, and real estate. Today the shortage of manufacturing entrepreneurs has been largely overcome as evidenced by the large number of Chinese Singaporean controlled manufacturing corporations like Venture, Meiban, and HiP. These companies are publicly traded in the Singapore Stock Exchange. The

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<sup>160</sup> This is an employee housing and retirement funds that is jointly contributed by both the employers and the employees themselves.

<sup>161</sup> Loh and Lee, *Beyond Silken Robes*, 60.

government is now focusing on developing trade and entrepreneurs in the areas of biomedicine and computer animation. Will we succeed again?

Kau, Jung, Tambyah and Tan, agree with Loh and Lee that Singapore has no lack of entrepreneurs. In their island-wide survey of Singaporeans' lifestyles published in 2004, they found many Singaporeans eager to become entrepreneurs. They found that most entrepreneurs and aspiring entrepreneurs are young males, particularly of 45 years of age and below, single or married, possessing at least secondary school education, and drawing personal incomes of more than \$3,000 per month.<sup>162</sup>

There is conflicting information about whether Chinese Singaporeans are as entrepreneurial or less entrepreneurial than their counterparts in Asia. There has never been any conclusive study done in this area. As discussed above we need to take into consideration not only Singapore's history but her relatively small size, and the dominance of the government's economic role when considering her people's entrepreneurial capabilities.

### **Christian Critique Of Chinese Entrepreneurship**

#### **Confucianism & Familism vs. The Bible**

Confucian thoughts have three positive emphases similar to those found in the Bible: a deep emphasis on the role of the family; the necessity for personal correctness of character by those in authority; and the affirmation of the golden rule.<sup>163</sup>

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<sup>162</sup> Ah Leng Kau, KwonmKuan Jung, Siok Tambyah and SooJiuan Tan, *Understanding Singaporeans: Values, Lifestyles, Aspirations and Consumption Behaviors* (Singapore: World Scientific, 2004).

<sup>163</sup> Matthew 7:12. So in everything, do to others what you would have them do to you, for this sum up the Law and the Prophets.

On the first, the role of family, we have dealt at length about Confucius's emphasis on the family and the parallel he has drawn between a well-managed home and a well managed state. This positive emphasis on the family is also reflected in the writings of the Bible, particularly in the Old Testament: the commandment to honor your father and mother (Exodus 20), the concept of kinsman-redeemer (Ruth), and helping relatives in time of need (Isaiah 58:7).

However, there is one big difference between the Confucian family and a Christian family. The Confucian family is built on relationships between father and son, husband and wife, and older and younger brothers.<sup>164</sup> Each position in the family has a definite role and set of obligations. For example, the father is to provide for the family and sons have to respect and honor the father. The glue in the Confucian family relationship is responsibility and obligation. On the other hand, the biblical emphasis on relationship is always built on the foundation of love. We are to love God, love our family and even love our neighbors. Therefore, the Chinese family's ideal is peace and harmony based on family members observing and fulfilling the various roles; it is driven by pragmatism and mutual support. The Christian family's ideal is to love one other without expecting anything in return; it is driven by a desire to imitate Christ's love.<sup>165</sup>

Secondly, on the character of those in authority, Legge, a missionary in Asia agrees with Confucius's call for good examples among those in authority: "its virtue is recognized in the family, and it is demanded in the Church of Christ. 'A bishop' –and I quote the term with the simple meaning of overseer–'must be blameless.' It seems to me,

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<sup>164</sup> Confucius talked about five relationships; apart from the above three, the other two are relationships between ruler and subject, and between friends. Women have minimal roles in Confucian families; wives and daughters are called to submit to the males of the family.

<sup>165</sup> The writer grew up in a traditional Confucian family and converted to Christianity at the age of 30. He continued to marvel at the Christian concept of the family versus the Confucian's.

however, that in the progress of society in the West we have come to think less of the power of example in many departments of state than we ought to do.”<sup>166</sup> However, Legge laments that Confucian emphasis on examples is too focused on the external. “Self-adjustment and purification, with careful regulation of his dress, and not making a movement contrary to the rules of propriety; -this is the way for the ruler to cultivate his person.”<sup>167</sup>

Thirdly, on the golden rule, Western scholars noted that Confucius taught about treating others as ourselves more than four hundred years before Jesus uttered the golden rule: “So in everything, do to others what you would have them do to you, for this sums up the Law and the Prophets.”(Matt 7:12). In the Analects, Book XV.xxiii, Confucius talks about “Is not reciprocity such a word? What you do not want done to yourself do not do to others.”<sup>168</sup>

When a comparison, however, is drawn between Confucius’s teachings and the rules laid down by Christ, it should be noted that Christ emphasized the positive of doing what we feel to be right and good. He requires us to commence such a course of conduct, without regard to the conduct of others toward us. The teachings of Confucius only forbid men to do what they feel to be wrong and hurtful. Legge went on to add that “Confucius, it seems to me, did not think of the reciprocity coming into action beyond the circle of his five relations of society.”<sup>169</sup>

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<sup>166</sup>Legge, *Confucius*, 105.

<sup>167</sup>Legge was quoting from the Confucian Analects, XII, 105.

<sup>168</sup>Legge, *Confucius*, 109.

<sup>169</sup>Legge, *Confucius*, 109. Confucius emphasizes the duties of universal obligation in the following five relationships: between sovereign and minister, between father and son, between husband and wife, between elder brother and younger, and those belonging to the intercourse of friends.

## No Social Awareness Beyond The Family

Moving beyond the above three parallels between Confucianism and the Bible; we need to take note of a major shortcoming in Confucian thoughts; Confucius's focus on the family led to lack of social consciousness among the Chinese. Confucian emphasis on the family creates "a nation that is like "a tray of loose sands," each grain being, not an individual but a family. On the other hand, the Japanese nation is...welded together like a piece of granite."<sup>170</sup> Within each grain there is the greatest co-operation but between the grains no real bond of unity exists, except the state.

As a result of this high level of centrality of the family and its importance to the state, family consciousness has taken the place of the social consciousness and national consciousness of the West. Rivalries develop among families competing with one another to control and accumulate limited resources. A "magnified selfishness" develops that pits the family's enrichment against the cost of social integrity.<sup>171</sup> Lin gives an example: "Deep down in our instincts we want to die for our family, but we do not want to die for our state. None of us ever want to die for the world."<sup>172</sup>

Confucian social ethics call for a nation of good brothers and good friends to make a good nation. Confucianism, however, omitted the social relationships among people outside the family.

Confucius, it seems to me, did not think of the reciprocity coming into action beyond the circle of his five relations of society... How far short Confucius came of the standard of Christian benevolence may be seen from his remarks 'With what will you recompense kindness? Recompense injury with justice, and recompense

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<sup>170</sup>Lin, *My Country and My People*, 185.

<sup>171</sup>Lin, *My Country and My People*, 179.

<sup>172</sup>Lin, *My Country and My People*, 185.



kindness with kindness.<sup>173</sup> ... 'With the slayer of his father, a man may not live under the same heaven; against the slayer of his brother, a man must never have to go home to fetch a weapon, with the slayer of his friend, a man may not live in the same State.'<sup>174</sup> ... His morality was the result of balancing of his intellect, fettered by the decisions of men of old, and not the gushing of a loving heart...and in sympathy with the erring and feeble humanity.<sup>175</sup>

No mention is made of man's obligation towards the neighbor or stranger (this is in contrast to one of the greatest biblical commands to love our neighbors, and Jesus' parable of the Good Samaritan). "Under such Confucian emphasis, the family, with its friends, became a walled castle, coldly indifferent toward, and fortified against, the world without. In the end, as it worked out, the family became a walled castle outside which everything is legitimate loot."<sup>176</sup>

### **Two Destructive Social Ills: Nepotism & Corruption**

To be fair, Confucius never intended family consciousness to take the place of social or national consciousness and develop the family into a form of magnified selfishness. The evils of the family system were already apparent in the third century B.C. There was a breaking down of the civil service system through nepotism and favoritism, robbing the nation to enrich the family, the erection of rich villas by politicians, the absence of any punishment for offending officials, and the general lack of social consciousness.

Two destructive social characteristics, distinctively unique to the Chinese, resulted from this focus on the family system, and continue to plague Chinese entrepreneurship. They are nepotism and corruption.

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<sup>173</sup> Legge, *Confucius*, Analects XIII, xix.

<sup>174</sup> Legge, *Confucius*, Second Book of Li Chi, I. Sect. I. Pt. v. 10.

<sup>175</sup> Legge, *Confucius*, 110.

<sup>176</sup> Lin, *My Country and My People*, 180.

Nepotism has a long history in China. The family system is an important system of insurance against unemployment. Every family takes care of their unemployed, and the best way to take care of the unemployed is to find employment for them. Mutual helpfulness is therefore developed to a very high degree because of the sense of moral obligation and family honor.

At its best, nepotism is favoritism, but it is more likely to encourage inefficiency and unfairness. A successful man is expected to give the best jobs to his relatives. If there are no such jobs he will create sinecure positions. "Thus sinecurism and nepotism developed, which coupled with economic pressure, became an irresistible force, undermining, rather than being undermined by, any political reform movement." A minister does not only have to find jobs for his nephews but also the nephews of other high officials who have sent him letters of recommendation. Thus, "where is he to put them, except in sinecure posts and "advisorships."<sup>177</sup>

In a Chinese business, the eldest son is expected to be groomed to take over the business eventually. Other key positions are filled by brothers and sisters, uncles, nephews, nieces, and more distant relatives, in that order. A wife may also play a key part alongside her husband, frequently filling roles like financial controller (sometimes despite the lack of qualifications), or personnel director.

Redding argues that nepotism in Chinese business does not necessarily sponsor weakness. There is an iron rule at work, "which is that performance has to be good for real responsibility to be allocated."<sup>178</sup> The preparation of the successor is a carefully planned and elaborate process. Apprenticeship is long, and starts with receiving the right

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<sup>177</sup> Lin, *My Country and My People*, 181.

<sup>178</sup> Redding, *The Spirit of Chinese Capitalism*, 133.

education. However, the pragmatic Chinese are also aware that education is no guarantee of entrepreneurial skills. The apprentice is traditionally started at a relatively poorly paid position that is close to the working conditions of those at the base of the system. The key aspect is the developing of entrepreneurial judgment, and without success in this, the young successor is unlikely to proceed to more senior positions.

Nepotism, however, can become a serious weakness if no effective heirs are available. The size of the traditional Chinese family and the practice of having multiple wives create uncontrollable discord and disunity in the absence of a strong patriarch; this is particularly apparent when the patriarch suddenly steps down due to illness or death. Business disintegration generally follows family disintegration.

The Chinese have a popular saying: wealth does not last three generations. The first generation labors hard to build up the business, the second generation is brought in at a young age to help as the fledging business grows, and by the third generation, wealth and success have been attained. This third generation gets to enjoy the financial fruits but lacks the drive, as they have never experienced the sacrifices and struggles of the previous two generations. The "third generation problem" is an issue of great concern, reflecting how difficult it is to maintain entrepreneurial momentum. Nepotism that was useful as the young business was growing can become a liability as the business matures.

The second social ill, corruption, is proverbial among Chinese officials. "The minister who robs the nation to feed the family, either for the present or the next three or four generations, by amassing half a million to ten million or more dollars is only trying to glorify his ancestor and be a "good" man of the family. Graft ... may be a public vice, but

is always a family virtue.”<sup>179</sup> Unfortunately the centrality of family provides not only the motivation for corruption but serves as a good excuse for greed.

This ongoing expectation and pressure of putting family interests above all else, frequently led Chinese entrepreneurs to bribe their way into winning special concessions at the expense of their competitors who cannot match their “gifts.” The Chinese entrepreneurs in Malaysia and Indonesia have frequently been accused, and rightly so, for bribing and partnering corrupt officials to gain their fortunes. In China, the recent melamine contamination of milk powder is another example of accumulating profits for the self and family at the expense of others.

Corruption in China has deep roots. When times were disorderly, people relied on “networks of mutual support” (*guanxi*), which expanded into factions for the exercise of political power. As China moved into the modern world and market economy, private and joint-venture factories needed access to energy sources, raw materials, or transportation, which were often controlled by state monopolies. Stamps (seals) needed to be obtained from the various agencies and officials in order to facilitate the flow of goods, and agents emerged to help buyers and sellers grease the wheels of bureaucracy.<sup>180</sup>

The practice of *guanxi* has grown increasingly elaborate, involving dining, womanizing and gift giving. It is not uncommon for officials to send themselves overseas, and while there, away from watchful eyes, receive substantial “gifts” that are deposited or

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<sup>179</sup>Lin, *My Country and My People*, 182.

<sup>180</sup>W. Scott Morton and Charlton M. Lewis, *China: Its History and Culture*, 4<sup>th</sup> ed. (NY: McGraw Hill, 2004), 269-270.

used to buy expensive foreign homes. Even the children of senior officials studying overseas serve as a convenient conduit for collecting the rewards of *guanxi*.<sup>181</sup>

Today, nepotism and corruption continue to be prevalent in countries where the business environment is controlled by the Chinese e.g. China, Taiwan, Indonesia, Malaysia and Thailand. The problems are so pervasive in China that the public trust has been eroded to an all time low. A poll of 3,376 people in China by state-run Xiaokang magazine showed that the trust in Chinese society has sunk to a new low in the past decade. Inter-personal trust was 1 percent in the past 10 years versus 14 percent in the 1980s. The state of public trust in China is so deplorable that, one netizen wrote, “when Chinese people talked about integrity, God laughs.”<sup>182</sup>

Of those polled, 49 per cent said they were “extremely worried” about the credibility of their government and of the corporate world. When asked to rank 49 occupations in term of trustworthiness, the top five picks were: farmers, religious workers, sex workers, soldiers and students. Scientists, teachers, and government officials ranked far lower. At the bottom were those in business: real estate bosses, secretaries, brokers. It is ironic that sex workers are more trustworthy than business people.

China is on an all out war to combat corruption, a problem now estimated to cause economic losses of up to 17 percent of its GDP every year.<sup>183</sup> One of the largest and most publicized cases happened in Xiamen in Fujian province. In a four-year period, during 1996-1999, a local entrepreneur, Lai Changxing, smuggled an estimated \$6.38 billion

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<sup>181</sup> This is a personal observation of the writer and based on his experiences of dealing with Chinese businessmen in the ASEAN region.

<sup>182</sup> Sim Chi Yin, “Public trust in China at a new low,” *The Straits Times*, Wednesday, August 5 2009, A16.

<sup>183</sup> The Straits Times China Bureau, “Angry Spouses: China’s unexpected graft busters,” *The Straits Times, Saturday*, May 29 2010, A12.

worth of oil, cigarettes and automobiles through his company Yuanhua Group into China with the co-operation and assistance of local and national officials. Three hundred customs officials and officials from the Public Security Bureau were indicted, and several death sentences and long prison sentences were meted out. Lai, however, escaped to Vancouver, Canada, where his extradition case is still being fought.<sup>184</sup>

Singapore is probably the exception in the above areas because it has adopted a rule-based society built on the legal system left behind by the British Colonists. To the credit of the British, they had systemically built sound civil institutions in their colonies that were handed over intact when their reign ended. The father of modern Singapore, Minister Mentor Lee Kuan Yew, was a Cambridge-trained lawyer who understood the importance of a sound legal system, enforcement, and strong civil societies.

Singapore has another advantage in being a small state with a population of approximately five million. This small size has enabled the legal and civil systems to be effectively implemented and monitored. This rule based system stands in contrast with many Chinese populated states where *guanxi* (relationships and networks) replaced the Rule of Law. In addition to the above factors, the emphasis on the use of the English language and the open and globalized nature of Singapore's economy has resulted in the gradual dilution of the Confucian influence. All these factors resulted in Singapore being the only place in Asia where Chinese values are gradually diverging from the other Chinese populations throughout Asia.

### **Christian Critique Of Capitalism**

Capitalism in the form of great and risky individual undertakings, involving huge financial resources, and yielding substantial riches is as old as history. Yet, it is only in the

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<sup>184</sup>Morton and Lewis, *China*, 270.

West that capitalism emerged as an economic system, and as a rational organization of free labor for the purpose of profit, touching every aspect of society.

Max Weber refers to the writings of Luther, Calvin and the Puritans to argue that their concept of “calling” provides the moral justification for worldly activities. Luther associated calling with the position of the person in the world. To the Calvinist, calling is a strenuous and exacting enterprise to be chosen and to be pursued with a sense of religious responsibility. In the Puritan concept of calling, God has a calling for everyman, and this calling is God’s commandment to the individual to work for the divine glory.<sup>185</sup>

Business once considered with disdain, has now attained respect. Labor is no longer merely a means to an end, but is a spiritual exercise. The emphasis on ascetic importance of a fixed calling provided an ethical (Utilitarian) justification for the modern specialized division of labor. Specialization leads to development of skill, to a quantitative and qualitative improvement in production, and thus serves the common good or the greatest possible good. Capitalism’s economic rationalism is partly dependent on rational technique and law, but it can only come about by the willingness and ability of men to adopt practical rational conduct. This conduct of rational ethics is the result of the ascetic Protestantism preached by the Calvinists, the Pietists, the Methodists, the Baptists and particularly the Puritans.<sup>186</sup>

Capitalism has been embraced by most Protestant States and has continued to grow steadily in influence over the last two hundred years. The full economic effect of ascetic and rational Protestantism led to significant economic developments in countries that

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<sup>185</sup>Weber, *The Protestant Ethic and the Spirit of Capitalism*.

<sup>186</sup> The Puritan’s strictly regulated, reserved self-control and conventional ethical conduct strongly influenced the national character of the English, and favoured the development of a rational *bourgeois* economic life that is the foundation of the modern economic man.

adopted the spirit and system of capitalism. Brian Griffiths, a Christian economist, observes that by the end of the nineteenth century in England, “real incomes had quadrupled, education was widespread, the housing stock had grown dramatically and life expectancy had increased...due to the ability of the market economy.”<sup>187</sup> The same progress took place in other countries that adopted market economies: Western Europe, North America, Australia and New Zealand. In the last two decades, the collapse of the U.S.S.R. and the opening up of the Chinese market in the 1980s further attest to the potency of capitalism.

Despite its success, many Christians argue against the adoption of capitalism because of its negative impacts. Christians argue that capitalism promotes individualism, materialism, exploitation, and injustice. In the same way, Weber warns that Puritanical ideals are not immune from the temptations of wealth and self interest. He quoted John Wesley: “I fear, wherever riches have increased, the essence of religion has decreased in the same proportion...religion must necessarily produce both industry and frugality, and these cannot but produce riches. But as riches increase, so will pride, anger and love of the world...”<sup>188</sup>

Griffiths agrees that capitalism raises critical moral challenges. He explores the five ethical objections against capitalism: the profit motive and self interest, competition, inequality, individualism and unemployment. Griffiths argues that despite its weaknesses, capitalism also has a positive moral case as it is a system that respects human dignity and allows human freedom.<sup>189</sup>

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<sup>187</sup>Griffiths, *The Creation of Wealth*, 11.

<sup>188</sup>Weber, *The Protestant Ethic and the Spirit of Capitalism*, 175.

<sup>189</sup> Griffiths, *The Creation of Wealth*, Chapter 1 and 4.



Griffiths' book was written in the early 1980s, and his argument is even stronger in the light of tumultuous events in the last two decades -the economic and social failures of collectivism and central market planning, with the consequent flight to a market system by two of the largest nations in the world, the former U.S.S.R. and China.

The debate today is not so much about capitalism versus socialism, but what form of capitalism to adopt? As Wesley had warned, when the religious conviction is gone, capitalism will be left with a bourgeois economic ethic with little or no religious motivation. What remains is a good conscience in the legal acquisition of money that will eventually morph into an insatiable love of money.

Enough has been said about the greed behind the unfettered capitalism that led to the collapse of the world financial markets. Just when the world was beginning to see the light at the end of the long and dark tunnel of economic bleakness, Greece shook the world financial markets when their overwhelming debts were exposed. This recent Greek financial debacle added new energy to the debate about the role of the open market; the debate is not so much about the abolition of capitalism but the right kind of government intervention in a capitalistic market.

The new economic debate is how to tame runaway financial markets caused by globalization. Capital moves freely across borders more quickly than people or goods. Large global firms, especially those in the banking industry, have used their high concentration of financial resources to push for further deregulation. Rather than commit investment to productive sectors of the economy, the financial industry has become adept at securing investment in itself.

Governments need to intervene to bridge the gap that the private sector cannot reasonably be expected to do on its own. "The current crisis has shown with utmost clarity that private markets are unable to self-regulate; domestic regulation is therefore a key area in which government has role to play... Re-erecting barriers to capital flow... is therefore another task for government."<sup>190</sup>

"Unfettered capitalism"<sup>191</sup> has its root in the Enlightenment, where economic life came to be viewed as an impersonal and amoral "system" with an ability to evolve toward equilibrium. Any interference by governments or institutions with this "system" will be futile, and it will be delayed in its return to a natural position. Griffiths argues that the assumption of the natural harmony or equilibrium in economic life is flawed, saying that corrections are painful and "some sort of equilibrium would...emerge...after many banks had failed ...and many depositors lost their money."<sup>192</sup> This flawed sense of equilibrium is shared by many brilliant economists and regulators, and led to the promotion of unfettered capitalism that created the conditions for the recent financial meltdown and economic depression. What is needed is a moral and personal framework of economic life rather than an amoral and impersonal "system."

Griffiths urges Christians to accept capitalism by first acknowledging its flaws and argues that capitalistic wealth creation based on biblical principles offer the best hope for using our resources wisely and meeting the needs of the world. Griffiths derives three

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<sup>190</sup> Robert Skidelsky, "Too big to fail simply means too big," *The Straits Times*, Thursday, June 24 2010, A32.

<sup>191</sup> This term refers to a form of capitalism that advocate totally free and competitive markets driven by private interests with no government intervention or ownership.

<sup>192</sup> Griffiths, *The Creation of Wealth*, 112.

principles from Jesus' teachings: wealth is not wrong and poverty is not virtuous; we are accountable for the use of our resources, and beware the spiritual hazards of wealth.<sup>193</sup>

Jesus' teachings thus do not advocate any particular economic system but instead call for justice, diversity, and community. "Wealth creation within a market economy bounded by a concern for justice is compatible with Christian faith. Christian businessmen should never feel guilty or ashamed at defending the environment within which wealth is created."<sup>194</sup>

## **Integrating Faith And Business**

### **A Western Christian Framework**

This area of inquiry pertains to how Christian entrepreneurs integrate their faith and business. Laura Nash, a researcher at Harvard, surveyed 65 evangelical Chief Executive Officers (CEO) of public and private companies in the United States in a bid to establish the relationship between their faith and their work.<sup>195</sup> The result of this survey is published in her book, *Believers in Business*.<sup>196</sup> Nash's purpose in writing the book is to "explore and explain how successful evangelical CEOs understand business responsibility from the standpoint of being personally committed to Jesus."<sup>197</sup>

Nash identifies seven tensions that faithful believers experienced in their attempts to integrate faith and work. These tensions are: the love for God and the pursuit of profit,

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<sup>193</sup> Griffiths, *The Creation of Wealth*, Chapter 3.

<sup>194</sup> Griffiths, *The Creation of Wealth*, 117

<sup>195</sup> Chapter 3, unfortunately Nash is unable to locate any women evangelical business leaders.

<sup>196</sup> Laura Nash, *Believers in Business* (Nashville, Thomas Nelson, 1994).

<sup>197</sup> Nash, Preface, xii.

love and the competitive drive, people needs and profit obligations, humility and the ego of success, family and work, charity and wealth, and faithful witness in the secular city.

The above are seven recurring themes; each of which is a tension between a Christian theme and a conflicting business theme. Nash picked these themes as they “betray an evangelical slant.” These tensions provide a spring-board for understanding the role of faith in the interviewees’ worldly pursuits and allow us to appreciate the seeker’s business and career thinking.

From her interviews, Nash identified three different types of Evangelical Christian business people: generalist, justifier and seeker. The generalist avoids specific examples of faith-business tension. A common conviction among the generalists is that there is never a real problem in their own lives between faith and the requirements of the business. They tend to see personal faith and business as two different matters, with each having its own set of requirements. The justifiers tend to see their own economic success as the justification of their faith. They limit their examples to happy complementarities and ignore the more bothersome aspects of business. The third type, the evangelical seekers, which is the central interest of Nash’s book, is willing to struggle with difficult choices in order to best serve their faith. The seekers do not avoid the suggestion of conflict between the requirements of the business and what their faith requires them to act or feel.

Nash observes that of the three types of evangelical business leaders, the seeker has the most dynamic understanding of the tensions between Christian belief, human failing and economic practicality. Through prayer and the perspective of faith, the seeker adopts a course of action consistent with Christianity. “Faith itself becomes the mediating factor in these tensions.”<sup>198</sup>

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<sup>198</sup>Nash, *Believers in Business*, 45.

## Comparing Nash's Seven Tensions With The Four Dimensions Of Christian Entrepreneurship In Chapter 2

In chapter 2, a framework of Christian entrepreneurship is proposed based on the four dimensions: theological, creational, communal and eschatological. Each of these dimensions adds a different emphasis to the entrepreneurial business. The theological dimension will emphasize integrity and stewardship. The creational dimension will focus on making work meaningful and direct our energy toward creating products or services that are meaningful and competitive. The communal dimension will require community building and the creation of new wealth for the stakeholders of the business. Finally, the eschatological dimension challenges us to continuously reconsider our priorities and our work in the light of the coming new heaven and new earth.

There is a consistency between the four dimensions and Nash's seven tensions. The proposed Four Dimensions Framework will capture the seven tensions in each of the following dimensions:

Figure 2: Comparing The Four Dimensions & Nash

<u>FOUR DIMENSIONS</u>	<u>NASH'S SEVEN TENSIONS</u>
Theological: God as Master & Owner	Love of God & Pursuit of Profits Humility and the ego of success
Creational: Goodness of Work	People's need & Profit obligation
Communal: A healthy community	Love & the Competitive Drive Family and Work Charity and Wealth
Eschatological: New Heaven & Earth	Faithful Witness in the secular city

In the theological dimension, a committed Christian who is informed about God's role as Master and Owner will develop a tension that holds him or her back from the unrighteous or harmful pursuit of wealth. The acknowledgement of God's role serves as a motivation for integrity. Riches belong to God, and the money we earn is not ours. In the same way, the second tension of humility and the ego of success will make a serious Christian consider his success as coming from God. A successful CEO Nash interviewed, agrees, "And success is not because of me; it's because of God."<sup>199</sup>

In the creational dimension, it was earlier argued and explained in chapter 2 that work is good and part of God's plan for creation. Pope John Paul II regarded human work as the essential key of man's good. In human work lies the solution or gradual solution of "making life more human."<sup>200</sup> The source of this conviction is the revealed word of God. In Genesis man is "created in the image of God...male and female" (Gen 1:27). Our image of God is partly through the mandate to "be fruitful...and fill the earth and subdue it" (Gen 1:28). "Work is a good thing for man...through work man not only transforms nature...he also achieves fulfillment as a human being...in a sense, becomes "more a human being."<sup>201</sup> A similar parallel is found in Nash's tension of people needs and profit obligation. Nash highlights the need for organizing employees in a way that work provides for emotional fulfillment and social acceptance. Work needs to provide opportunities for developing skills and accomplishing meaningful results.

In the communal dimension, we find three similar tensions: love and the competitive drive; family and work; and charity and wealth. We are called to love our

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<sup>199</sup>Nash, *Believers in Business*, 63.

<sup>200</sup>Pope John Paul II, *On Human Work: Laborem Exercens* (Boston: Pauline Books and Media, 1981), 10.

<sup>201</sup>Pope John Paul II, *On Human Work*, 23.

enemies<sup>202</sup> – in business, our competitors are regarded as enemies. How do we achieve competitiveness without the need to destroy our competitors? How do we fruitfully and realistically co-exist with our competitors?<sup>203</sup>

The love and demands of our work are met at the expense of time spent with the family. There will always be a trade-off, but what is the right balance between work and family? On the issue of wealth, we cannot ignore the temptations of money and the growing divide between the rich and the poor. In what ways can we give effectively so that we can mitigate these temptations and disparities?

In the eschatological dimension, our priorities are challenged. Nash talks about accepting the idea of our mortality. This life-after-death perspective helps to explain the sense of distance from everyday accomplishments. Fred Smith, one of Nash's interviewees, is able to maintain a balanced perspective when he refers to his business success: "This is just the practice. The real game is played in the hereafter."<sup>204</sup>

Through the in-depth interviews with several Chinese entrepreneurs in Singapore, the writer hopes to uncover these tensions and test out the four dimensions of entrepreneurship.

### **A Chinese Moral Order**

The above perspectives serve as guiding principles that form the ethical framework of Christian entrepreneurs. It is based on the teachings of the Bible, the Judeo-Christian culture and further adapted for the modern Anglo-Saxon American environment. Given

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<sup>202</sup> Jesus teaching in Matthew chapter 5, verse 44 to 48.

<sup>203</sup> Higgins calls for a new ethics of competition versus the law of the jungle. His is particularly alarmed about predatory pricing, price fixing, aggressive advertising and improper payment in the U.K. Honestly, how frequently has one heard about a Singapore Chinese Christian entrepreneur speaks against predatory pricing or aggressive advertising? Richard Higgins, *The of Business Competition: The Law of the Jungle?* (Cambridge: Grove Books, 1997).

<sup>204</sup> Nash, *Believers in Business*, 175.

Singapore's adoption of the English language, the Western model of education and exposure to Western Christianity; it is inevitable that Christians in Singapore will share many of the above perspectives.

However, Chinese entrepreneurs in Singapore are also exposed to other traditional Chinese influences that shape their business ethical framework: (1) the pressure to be providers for and protectors of their family; (2) the pressure to put family interests first; (3) conforming to the moral order that holds the interpersonal and entrepreneurial relationship; and (4) the need to return to society.

Ray Hibbins studied 40 Chinese males who migrated to Australia over the span of fifty years to uncover their image of masculinity.<sup>205</sup> Under the influence of the majority Anglo-Celtic populace, the Australian rite of passage for masculinity is based on the ability to consume copious amounts of alcohol, sexual achievement with women, and success in sports. However, irrespective of their age, the majority of these Chinese male migrants share a different view of masculinity. In fact, "some of the male migrants referred with some amazement to the importance placed on sport in secondary schools, at the expense of education."<sup>206</sup>

Most migrants identified with the traditional Chinese markers of masculinity, viz., the centrality of hard work, educational achievement, career advancement, status, and most importantly, the role as sole provider and head of the family. "Most of these males suggested that the model for most young Chinese males were wealthy Chinese businessmen. Sportsmen like Michael Jordan and movie artists like Jackie Chan are

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<sup>205</sup>Ray Hibbins, "Providers, Protectors, Guardians: Migration And Reconstruction of Masculinities" in *Chinese Migrants Abroad: Cultural, Educational, and Social Dimensions of the Chinese Diaspora*, ed. Michael W. Charney, Brenda Yeoh, and Tong CheeKiong (Singapore: Singapore University Press and World Scientific, 2003), Chapter 2, 23-40.

<sup>206</sup>Hibbins, "Providers, Protectors, Guardians: Migration And Reconstruction of Masculinities", 32.



models and sometimes heroes because of their wealth rather than their athletic prowess.

<sup>207</sup> The accumulation of money affirms their masculinity by strengthening their ability to provide for their family.

Nash argues that a Christian business person could be held back from the relentless pursuit of profit because of the love of God. In the case of the Chinese entrepreneurs, there is a “moral order” that puts a strain on wealth creation. Chan and Chiang argue that “personal ambition was tempered by a collective sanction on the right and wrong ways of doing business, on what constituted good or bad business; ... successful entrepreneurs were economic heroes but they were nevertheless bound by history and social structure.”<sup>208</sup>

Such a “moral order” is based on the belief of hard work, frugality, honesty and trustworthiness. The concepts of trust and trustworthiness were raised frequently in Singapore’s oral history interviews and occupied a central place in interpersonal and entrepreneurial relationships. “Shame and trustworthiness are, respectively, the inward and outward modes of social control on the part of the collective over the individual. Internalized through socialization, these values constituted a double-edged sword that sharpened the conscience of the merchant.”<sup>209</sup>

The Chinese concept of trust was developed based on the teachings of Confucius to observe the respect and loyalty between family members and between friends. It is the Chinese culture and the pressure to conform that largely shaped trust between merchants in the Chinese business. However, it should also be noted that such trust is also driven by

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<sup>207</sup>Hibbins, “Providers, Protectors, Guardians: Migration And Reconstruction of Masculinities”, 27.

<sup>208</sup>Chan and Chiang, *Stepping Out*, 351.

<sup>209</sup>Chan and Chiang, *Stepping Out*, 353.

pragmatism. In a tight Chinese community, no one wants to do business with a merchant that has a reputation of being “untrustworthy.”

Nick Spencer writes about the need to rebuild trust in business after the failure of Enron in the U.S.<sup>210</sup> Spencer identifies shorter time horizons of business, increasing speeds of communication, and corporate “giantism” as the key contributors of mistrust. The kind of trust that Spencer advocates is integral to being human. Spencer views trust as part of God’s image rather than the Chinese “moral order” that holds society together. Whereas the Christian concept of trust between people is anchored in a desire to obey God, the Chinese concept of trust is based on a desire to live in harmony with one another.

The Chinese counterpart to Nash’s tension of wealth and charity is philanthropy directed at the larger community. This involves the building of schools and other social works. “These giving back to society what they have taken from them” is not only a form of altruism but is frequently done to gain acceptance in the community and to elevate their social status and, in turn, their business credibility.”<sup>211</sup>

It is important to bear in mind that Singaporean Chinese entrepreneurs worked with an ethical framework shaped not only by a Chinese moral order but also a western-Christian ethical framework embedded in the institutions and systems left behind by the British. Which is more influential in the ethical construction of the Chinese Christian entrepreneurs; Nash’s seven tensions or the “moral order” based on Chinese values and culture? It is this writer’s belief (as an entrepreneur himself) that Singaporean Chinese

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<sup>210</sup>Nick Spencer, *Rebuilding Trust In Business: Enron and Beyond* (Cambridge: Grove Books Ltd, 2006).

<sup>211</sup> Chan and Chiang, *Stepping Out*, (353), and Loh and Lee, *Beyond Silken Robes*, (14) both share similar views on the entrepreneurs’ instrumental philanthropy.

entrepreneurs outwardly display a Western ethical framework but inwardly carry a Chinese moral framework.

### **What Is The Future Of Chinese Entrepreneurship In Singapore?**

As Singapore industrialized after independence in the 70s and early 80s, the push towards a Western model of economy and the lack of emphasis on the Chinese language and culture, led to a decline in Chinese Singaporeans' understanding of Chinese history and culture.

Lee, in her study, laments the young local Chinese's poor grasp of the Chinese language and culture versus that of the Malaysian Chinese.<sup>212</sup> Wong, in *Chinese Business Enterprise in Asia*, raises a concern that we cannot ignore: the "deculturation" of Singapore will erode the traditional Confucian values that have been responsible for its successful entrepreneurial development.

Fortunately, the pragmatic Singaporean government is now wary of this cultural decline. In the last three decades, the government has been trying to revive interest in the Chinese language with "Speak Mandarin" campaigns. This long-running campaign has given new emphasis to the need for learning and using Mandarin in the shadow of the official English language. Now in its 31<sup>st</sup> year, the Speak Mandarin campaign holds activities "to encourage especially English speaking Singaporeans to master the language

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<sup>212</sup> Guan Kin, Lee, "Singapore Chinese Society in Transition: Reflections on the Cultural Implications of Modern Education." In *Chinese Migrants Abroad: Cultural, Educational, and Social Dimensions of the Chinese Diaspora*, ed. Michael W. Charney, Brenda Yeoh, and Tong CheeKiong. (Singapore: Singapore University Press and World Scientific, 2003), chapter 12, 229-251.

and, in turn reap the benefits of a fast-growing Chinese economy.”<sup>213</sup> At the same time, the Ministry of Community Development and Sports (MCYS) has been working on the revival of Confucian values like filial piety and the value of familial relationships. In its latest campaign to promote family values, MCYS has set aside \$1.6 million (US\$1.14million) to run three minute television commercials titled “Filial Piety.” Produced by advertising agency Leo Burnett, the short film is set against a background of an emotive cello- and piano-led soundtrack, designed to tug at heartstrings.<sup>214</sup>

Another important factor against the “deculturisation” of Singapore’s Chinese is the rise of China as an economic superpower. Continuous emphasis has been made by the government in schools and public announcements to remind local Singaporeans that our market is too small and we need to look to China for growth. The future Singapore generations who want to engage China in business need to understand not only the Chinese language but will also have to acquire a good grasp of Chinese culture in order to be economically competitive and relevant in the new millennium.

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<sup>213</sup>KianBeng, Kor “Being effectively bilingual ‘a life skill,’ *The Straits Times*, July 7 2010, A6.

<sup>214</sup>Dawn Wei, Tan, “Ad oomph for govt campaigns,” *The Sunday Times*, July 4, 2010, 28.

## CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY

### Methodology

This research hopes to explore and understand the development and practices of Chinese entrepreneurship in Singapore, of particular interest are the reasons behind why these entrepreneurs started their businesses, and the different ethical frameworks and approaches between the Christian and non-Christian Chinese entrepreneurs. The aim of this research is to develop themes about Chinese entrepreneurship in Singapore. Another aim is to develop a framework of biblical entrepreneurship based on the triangulation<sup>215</sup> of data from the different participants, observation field notes and interviews, and writings of the Bible and the various Christian and secular literature on business and entrepreneurship.

This is a qualitative research as the views of the entrepreneur participants will be sought. Board and general questions will be used to collect data consisting largely of statements from these entrepreneurs, and summary themes will be developed from the description and analysis of these statements. The qualitative method allows for a subjective and biased manner of inquiry.<sup>216</sup>

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<sup>215</sup> Triangulation is the process of corroborating evidence from different individuals, types of data, or methods of data collection in descriptions and themes in qualitative research. John W. Creswell, *Education Research: Planning, Conducting, and Evaluation Quantitative and Qualitative Research*, 3<sup>rd</sup> ed. (New Jersey: Pearson Education, 2008), 266.

<sup>216</sup> Quantitative methods are more suitable for research that requires specific and narrow questions, collection of quantifiable data from participants; analysis of these data using statistics; and the conducting of the inquiry in an unbiased, objective manner. Creswell, *Education Research*, 46.

## Collecting Data

Robert K. Yin suggests various methods of data collection. They are:

- a) Documentation and archival records which can be private or public documents pertaining to the entrepreneurs or their businesses; this includes minutes, memos, newspaper articles, journals or articles. None of the participants' companies are publicly traded so documents about their business are limited to what they are prepared to share.
- b) Interviews which will provide the focus on a topic and gain insight into inferences and explanations.
- c) Direct observations of the participants at their work. This is time consuming as it needs to be carried out over a period of time.
- d) Physical artifacts relating to the participants or their businesses. This will give insight into cultural features or technical operations of the participant's business.<sup>217</sup>

This study does not begin with a pre-established instrument to measure distinct variables of entrepreneurship. Instead, the study will seek to learn from the participant entrepreneurs by posing general, broad questions and allowing them to share their views relatively unconstrained by the interviewer's perspective. The key data gathering method will be the interview where open-ended questions will be used. An open-ended response to a question allows the participant to create the options for responding.

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<sup>217</sup> Robert K. Yin, *Case Study Research: Design and Methods*, 4<sup>th</sup> ed. (Thousand Oaks: Sage Inc., 2009), 102.

Interviews in this qualitative research have both advantages and disadvantages. One of the advantages is that they provide useful information as this limited research cannot directly observe the participants at their work over a period of time. It also encourages the participants to describe detailed personal information. The interviewer also has better control over the types of information received by asking specific questions to elicit this information.

There are several disadvantages: the interviews provide only information “filtered” through the views of the interviewer. Interview data may be deceptive and provide the perspective the interviewee wants the researcher to hear. The presence of the researcher may affect how the interviewee responds. Interviewees may not be articulate, perceptive, or clear.<sup>218</sup>

The other source of data collection will come from documents and records of the participants’ business (as available).

### **Research Sample**

Purposeful sampling<sup>219</sup> will be used to select a group of eight entrepreneurs. Creswell argues that the right sampling strategy must be identified in the adoption of purposeful sampling. He suggests nine different strategies: maximal variation sampling, extreme case sampling, typical sampling, theory or concept sampling, homogenous

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<sup>218</sup> Creswell, *Education Research*, 226.

<sup>219</sup> In purposeful sampling, researchers intentionally select individuals and sites to learn or understand the central phenomenon; in this research the central phenomenon is entrepreneurship. Creswell, *Education Research*, 214.

sampling, critical sampling, opportunistic sampling, snowball sampling, and confirming and disconfirming sampling.<sup>220</sup>

Maximal variation sampling will be adopted in order to present multiple perspectives of individual entrepreneurs. In maximal variation sampling the researcher samples cases or individuals that differ on some characteristic or trait. In this study a group of eight Singaporean Chinese entrepreneurs<sup>221</sup> will be selected based on the following traits: business experience, age group, types of business, and size of business.

1. At least five years entrepreneurial experience
2. Varied age group: three were born during the end of the Second World War in Colonial Singapore, three are Baby Boomers,<sup>222</sup> and two are Generation Xs.<sup>223</sup>
3. Different industries: construction/shipping, electronics component trading, surveillance and security, insurance, publishing, biomedical, and private education.
4. Varied business sizes: most of the businesses chosen are from the small and medium size enterprises (SME); three are larger companies with hundreds of employees; and one is an international firm with several thousand of employees

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<sup>220</sup> Creswell, *Education Research*, 214-217.

<sup>221</sup> In this study, the definition of entrepreneur will focus on for-profit business owner-managers. This definition excludes social entrepreneurs i.e. entrepreneurs in social and non-profit businesses, and intra-preneurs, i.e. entrepreneurs working within corporations. There is no distinction made here between successful, not-so-successful entrepreneurs and even outright failures. There is much to learn from failure, not just success alone. This definition includes not only those who started their own businesses, but also the “second-generation entrepreneurs” who inherited their businesses.

<sup>222</sup> Baby Boomers are those born post World War II, from 1946 to 1964.

<sup>223</sup> Generation X is the generation born after the Baby Boomers, from 1965 to 1980.



worldwide. Among the SMEs most have a handful of employees, but a couple has no employees.

All interviewees were obtained through personal contacts, and interviews were conducted by the writer personally. The writer has personally known and observed four of the entrepreneurs for several years. This group is non-random and not fully representative of all entrepreneurs in Singapore, but is ad hoc and arbitrarily selected.<sup>224</sup>

### **The Interviews**

Yin outlines three major types of interviews: the in-depth interview where facts opinions and insights are sought from the participants. This kind of interview usually takes place over an extended period, not just a single sitting. The second type is the focused interview in which a person is interviewed for a short period of time, e.g., an hour. The interviews may still remain open-ended and assume a conversational manner. The third type of interview entails more structured questions, and is more like a formal survey. In this kind of interview facts are sought and quantitative data collected.<sup>225</sup>

This research will adopt in-depth interviews given the exploratory and open-ended nature of the questions to be used. The writer hopes to be able to interview the participants more than once; for those that are available and willing, the writer hopes to meet with them a second time to review their interview transcripts and to clarify any issues if necessary.

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<sup>224</sup> A statistically designed random sample of all local entrepreneurs will enable fairly accurate generalizations of the traits of local entrepreneurs. However, such a list of all local entrepreneurs is not available. Even if such sampling is possible the challenge of non-response (particularly among this group) would make the sample biased and unrepresentative.

<sup>225</sup> Yin, *Case Study Research*, 107-108.

There are a number of approaches to interviewing and using open-ended questions: One-on-one interviews, focus group interviews, telephone interviews, electronic E-mail interviews, open-ended questions on questionnaires. The one-on-one interview approach will be adopted in this study as it is the most suitable for in-depth interviews. Though time consuming, one-on-one is the most personal approach where face-to-face meetings will encourage the participants to be more open and to share their ideas more comfortably.

Several protocols will be used: an interview protocol with nine questions, and an observation protocol to record the behavior of the participants during the site-interviews. Request will be made for the interviews to be recorded and transcribed.

This writer will be a non-participant observer in the interviews of these nine entrepreneurs.<sup>226</sup> A questionnaire will be prepared and shown to the interviewee at the time of the interview. In addition, observation notes of the interviewee's voice, passion, and countenances will be taken in order to establish consistency or inconsistency in their responses.

The first question seeks general information about the entrepreneur's age, education, family, and business experience. The second question hopes to explore the reasons why the business was started. The third question relates to the role of the entrepreneur's family in the business. The fourth question explores the challenges faced by the entrepreneur in his or her business, and the fifth tries to establish the work pattern of

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<sup>226</sup> The writer is himself a participant-observant in the world of business. The writer has started several businesses and derived great satisfaction in creating new wealth and jobs for the Singapore economy. On completing the Marine Engineering program at the Singapore Polytechnic; this writer worked for two years in the Marine industry. After a decision was made to switch to high-technology industries, this writer took his MBA at the Asian Institute of Management and returned to work for Xerox and Motorola before starting his own businesses.

This writer had started a regional cell phone distribution business selling Motorola cellular products in the mid-1990s. After selling this venture, an investment holding company and a regional telecommunication business were subsequently started. This last business, TeleChoice International Limited, is now traded on the Singapore Stock Exchange.

the entrepreneur. Questions six, seven, and eight are directed at the Christian entrepreneurs in a bid to explore integration of faith and business. The last and ninth question seeks to discuss the entrepreneur's thoughts about the future of his or her business.

### **Analysis Methods**

The following steps need to be taken in analyzing and interpreting the data collected:

- a) The first step in analysis is to organize the data. The extensive data collected from the eight interviews requires a system of organization. If possible, the writer intends to transcribe the audio recording into text data.
- b) The second step is to read through the data to obtain a general sense of the material. Different parts of the text are then coded, i.e. text segments are located, and a code label assigned to them.
- c) The third step is to examine the data in detail to describe and develop themes or broad categories of ideas relating to the issues of Chinese entrepreneurship in Singapore. Not all qualitative research includes both description and themes, but all studies include at least themes.<sup>227</sup>
- d) The fourth and last step is to propose a framework of Christian entrepreneurship.

In order to ensure that the findings and interpretations are accurate the following triangulation will be adopted:

1. Persons – collaboration of data from the different interviewees.

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<sup>227</sup> Creswell, *Education Research*, 254.

2. Theory – information obtained is consistent with existing theory.

3. Data – matching of observation notes and interview responses.

Given the sensitivity of the information and the need to preserve confidentiality, no member checking and external audit will be conducted.

Chapter 5 will present all the necessary data and information organized to allow the reader to make comparisons and to analyze. Most of the information will be presented in tables and charts to facilitate easy reading and study. Chapter 6 will compare the differences between the Christian and non-Christian Chinese entrepreneurs and propose a framework of Christian Chinese entrepreneurship.

## CHAPTER 5: RESEARCH FINDINGS & OUTCOMES

### Who Are The Entrepreneurs?: Interviewees' Backgrounds

The eight entrepreneurs interviewed are from three different age groups. One was born during World War II; five are Baby Boomers, and two are Generation Xs. They are all second or third generation Singapore citizens and most still carry impressions from their childhood of the hardship that their parents and grandparents went through in trying to adapt to the new country.

Interestingly, six of the eight interviewees are relatively small in physique. This is consistent with the writer's observation that successful entrepreneurs in Singapore are more likely to be smaller in physique.<sup>228</sup> These smaller physiques are also consistent with the smaller physical frame of the Southern Chinese where most of these entrepreneurs' ancestors came from.

Unfortunately no woman entrepreneur was interviewed for this project. Woman entrepreneurs are rare in Singapore, and the writer's contacts were unable to locate a woman entrepreneur.

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<sup>228</sup> On the other hand, the writer observes, most senior managers in larger organizations, especially multi-national corporations, tend to be bigger physically. As far as the writer is aware of there is no conclusive evidence to link leadership or entrepreneurship with physique. It could certainly be a component but this factor is overshadowed by comparison with other more key factors like character, intelligence or upbringing, and childhood experiences.

Table 1A: General Background of Interviewees

	<i>NAMES</i>	<i>BIRTH</i>	<i>AGE</i>	<i>STATUS</i>	<i>NO. OF KIDS</i>	<i>FAITH</i>
<b>1</b>	<b><i>Dr. Tan</i></b> <sup>229</sup>	<b><i>1942</i></b>	<b><i>68</i></b>	<b><i>Married</i></b>	<b><i>2</i></b>	<b><i>Christian</i></b> <sup>230</sup>
<b>2</b>	<b><i>Mr. Lim</i></b>	<b><i>1947/8</i></b>	<b><i>62</i></b>	<b><i>"</i></b>	<b><i>4</i></b>	<b><i>Christian</i></b>
<b>3</b>	<b><i>Mr. Yen</i></b>	<b><i>1948/9</i></b>	<b><i>61</i></b>	<b><i>"</i></b>	<b><i>1</i></b>	<b><i>Free thinker</i></b> <sup>231</sup>
<b>4</b>	<b><i>Mr. Sng</i></b>	<b><i>1957</i></b>	<b><i>53</i></b>	<b><i>"</i></b>	<b><i>2</i></b>	<b><i>Christian</i></b>
<b>5</b>	<b><i>Mr. Lee</i></b>	<b><i>1958</i></b>	<b><i>52</i></b>	<b><i>Separated</i></b>	<b><i>3</i></b>	<b><i>Free thinker</i></b>
<b>6</b>	<b><i>Mr. Yeo</i></b>	<b><i>1959</i></b>	<b><i>51</i></b>	<b><i>"</i></b>	<b><i>2</i></b>	<b><i>Christian</i></b>
<b>7</b>	<b><i>Mr. Soh</i></b>	<b><i>1967</i></b>	<b><i>43</i></b>	<b><i>"</i></b>	<b><i>3</i></b>	<b><i>Christian</i></b>
<b>8</b>	<b><i>Mr. Tan</i></b>	<b><i>1971</i></b>	<b><i>39</i></b>	<b><i>"</i></b>	<b><i>3</i></b>	<b><i>Buddhist</i></b>

<sup>229</sup> There are two Tans; we will refer to them in this report as Dr. Tan and Tan.

<sup>230</sup> All five are Protestant Christians.

<sup>231</sup> Free thinker refers to openness to all faith but not committed to any particular one faith.

All of them are married, with the exception of one who is separated. Three of the older five have two children (a testimony to the resounding success of the “Stop at Two”<sup>232</sup> campaign), and three interviewees (of which two are the youngest) have three children. Lim and Yen are the exceptions: Lim has four grown children and Yen has a step-daughter but no children of his own. It will be interesting to study if Chinese entrepreneurs generally have bigger families because they believe in big families, or because their bigger families motivate them to work harder and take bigger risks.<sup>233</sup>

Five of the eight are Protestant Christians. Of the five, four have been Christians since their youth. Sng is the only exception who was converted after he married his Christian wife. All of them spoke freely about their faith and their commitment to follow Jesus.

The entrepreneurs are clustered in the middle age, from the mid-40s to early 60s. Only one interviewee is below forty and another is nearly seventy. This age group of mid forties to sixties has been skewed by the fact that the writer is himself also middle aged, and therefore has limited contacts beyond this age group. This age group deviates from Lee and Low’s study of 20 entrepreneurs in Singapore in 1990. Lee and Low noted that their interviewees were relatively young, in their twenties or thirties.<sup>234</sup>

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<sup>232</sup> The Singapore government was concerned about population growth during the early days of independence and did aggressive advertising to persuade Singaporeans to stop at two children. This successful campaign backfired when the government realized that the local population birth rate was dropping as did most developed nations. This policy has since being reversed and incentives like income tax rebates are given to more educated parents to encourage them to have more than two children.

<sup>233</sup> This will requires a quantitative study which is beyond the scope and purpose of this qualitative study.

<sup>234</sup> Tsao Yuan, Lee and Linda Low, *Local Entrepreneurship in Singapore: Private & State* (Singapore: Institute of Policy Studies, 1990), 130.

However, the above is consistent with data on entrepreneurs in the United States. Scott Shane argues that there is a myth that young people are more likely to be entrepreneurs. By contrast Shane shows that middle-aged people (45-60) are more likely to be entrepreneurs as presented below.<sup>235</sup> Shane's data shows that half of the self-employed and business owners come from this age group.

Table 1B. Entrepreneurs By Age Category (U.S.)

Age Group	Self-Employed	Business Owners
18-24	3.1%	1.0%
25-34	12.8%	8.0%
35-44	26.0%	24.0%
45-64	45.6%	53.0%
65+	9.5%	10.0%

Source: Small Business Administration, *The Small Business Economy: A Report to the President* (Washington, D.C.: U.S. Government Printing Office, 2005).

<sup>235</sup>Scott A. Shane, *The Illusions of Entrepreneurship* (New Haven: Yale University Press, 2008), 45.



Table 2: Family Backgrounds of Interviewees

<i>S/N</i>	<i>NAMES</i>	<i>SIBLINGS +SELF</i>	<i>BIRTH ORDER</i>	<i>FATHER'S JOB</i>	<i>MOTHER'S JOB</i>	<i>FAMILY INCOME</i>
<i>1</i>	<i>Dr. Tan</i>	<i>4</i>	<i>Eldest</i>	<i>Steward, facilities manager</i>	<i>Housewife</i>	<i>Simple</i> <sup>236</sup>
<i>2</i>	<i>Lim</i>	<i>9</i>	<i>Eldest</i>	<i>Tire shop operator &amp; Rickshaw driver</i>	<i>Housewife</i>	<i>Simple when family is young</i>
<i>3</i>	<i>Yen</i>	<i>5</i>	<i>Youngest</i>	<i>A successful civil engr.</i>	<i>Housewife</i>	<i>Wealthy</i>
<i>4</i>	<i>Sng</i>	<i>4</i>	<i>Youngest</i>	<i>Construction entrepreneur</i>	<i>Housewife</i>	<i>Simple when young</i>
<i>5</i>	<i>Lee</i>	<i>2</i>	<i>Youngest</i>	<i>Seaman</i>	<i>Housewife</i>	<i>Simple</i>
<i>6</i>	<i>Yeo</i>	<i>6</i>	<i>Youngest</i>	<i>Barge operator, gambler</i>	<i>Housewife &amp; seamstress</i>	<i>Simple</i>
<i>7</i>	<i>Soh</i>	<i>7</i>	<i>Youngest</i>	<i>Laborer</i>	<i>Housewife</i>	<i>Simple</i>
<i>8</i>	<i>Tan</i>	<i>6</i>	<i>Fifth</i>	<i>Fireman, martial arts instructor</i>	<i>Housewife</i>	<i>Simple</i>

Among the eight interviewees, all seven except Lee came from large families.

Interestingly, the entrepreneurs are either the eldest or youngest in their families. Of the eight interviewees, six came from impoverished backgrounds. At least among this group

<sup>236</sup> Simple in this case refers to family then living in low income government housing but with the father holding one job. The family had three meals, some clothes but little else. Frequently the family had to borrow from relatives and friends when the father lost his job or had to move between jobs.

of entrepreneurs, an impoverished background and seeing their fathers' struggle to provide for a large family may have provided the lifelong driving force for hard work and discipline.

Chan and Chiang observe that there is a link between the childhood hardships of Singapore's pioneer entrepreneurs and their capacity for hard work and discipline.

"Poverty was the single most important condition for teaching and learning the value of pragmatism and survival strategies which, among others, include hard work, flexibility and discipline."<sup>237</sup> Chan and Chiang note that a "child learned by watching the way his family organized everyday living. He learned that life did not owe him anything; it had to be through his own effort that life could be made more bearable."<sup>238</sup>

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<sup>237</sup>Kwok Bun Chan and Claire Chiang, *Stepping Out* (Singapore: Simon & Schuster (Asia), 1994), 177.

<sup>238</sup>Chan and Chiang, *Stepping Out*, 177.

Table 3: Businesses of Interviewees

<i>S/N</i>	<i>NAMES</i>	<i>INDUSTRY</i>	<i>REVENUE*</i>	<i>EMPLOYEES</i>	<i>PRESENCE</i>
<b>1</b>	<b>Dr. Tan</b>	<b>Education &amp; Training</b>	<b>NA</b>	<b>No employee</b>	<b>Singapore</b>
<b>2</b>	<b>Lim</b>	<b>Investment &amp; Finance</b>	<b>Nearly \$ 1 Billion</b>	<b>2,000</b>	<b>Asia &amp; Europe<sup>239</sup></b>
<b>3</b>	<b>Yen</b>	<b>Security System</b>	<b>\$16 million</b>	<b>About 200</b>	<b>Singapore</b>
<b>4</b>	<b>Sng</b>	<b>Construction &amp; Marine</b>	<b>\$40 million</b>	<b>360</b>	<b>Singapore &amp; Malaysia</b>
<b>5</b>	<b>Lee</b>	<b>Insurance &amp; Fin. Services</b>	<b>\$1 million commission income</b>	<b>6 direct &amp; 20 (Sing), 50 (Indo) agents</b>	<b>Singapore &amp; Indonesia</b>
<b>6</b>	<b>Yeo</b>	<b>Publishing &amp; Printing</b>	<b>Was \$8 million</b>	<b>Was 100</b>	<b>Singapore</b>
<b>7</b>	<b>Soh</b>	<b>Electronic Component</b>	<b>\$2 million</b>	<b>3</b>	<b>Regional</b>
<b>8</b>	<b>Tan</b>	<b>Bio-pharmacy &amp; Trading</b>	<b>\$2 million</b>	<b>2</b>	<b>Singapore &amp; China</b>

\* Writer's estimates only. The currency is in Singapore dollars. Conversion to US dollars is US\$1: S\$1.3

All eight are from different industries: finance/investment, education, security systems, insurance, construction/marine transportation, publishing, electronics components, and bio-pharmaceutical. Construction/ marine transportation and publishing are cyclical businesses and their competitiveness is dependent on low operating costs. Finance/investment, education, electronics and bio-pharmaceutical are industries aggressively promoted by the Singapore government and continue to offer opportunities because of the substantial governmental attention and investment directed in these areas.

<sup>239</sup> Lim's Philip Capital has operations in 11 countries, mainly in key financial cities in Asia (Singapore, Hong Kong, Tokyo), but also in Europe as well.

Table 4: Educational Backgrounds of Interviewees

<i>S/N</i>	<i>NAMES</i>	<i>HIGHEST EDUCATION</i>	<i>COURSE TAKEN</i>	<i>UNIVERSITY</i>
<i>1</i>	<i>Dr. Tan</i>	<i>PhD</i>	<i>Business Management</i>	<i>Henley Management College, U.K.</i>
<i>2</i>	<i>Lim</i>	<i>Masters</i>	<i>Operational Research</i>	<i>Imperial College, U.K.</i>
<i>3</i>	<i>Yen</i>	<i>Bachelor in Engineering</i>	<i>Engineering Physics</i>	<i>McMaster University, Canada</i>
<i>4</i>	<i>Sng</i>	<i>High school</i>	<i>NA</i>	<i>NA</i>
<i>5</i>	<i>Lee</i>	<i>Diploma in Engineering</i>	<i>Marine engineering</i>	<i>Singapore Polytechnic <sup>240</sup></i>
<i>6</i>	<i>Yeo</i>	<i>Diploma in Engineering</i>	<i>Marine engineering</i>	<i>Singapore Polytechnic</i>
<i>7</i>	<i>Soh</i>	<i>Diploma in Engineering</i>	<i>Electronic engineering</i>	<i>Singapore Polytechnic</i>
<i>8</i>	<i>Tan</i>	<i>Diploma in Engineering</i>	<i>Mechanical engineering</i>	<i>Singapore Polytechnic</i>

Seven of the above interviewees have tertiary education. The only exception is Sng who completed his high school. All seven completed tertiary education mostly in the technical field. Interestingly, only one person, Dr. Tan, has formal business training. There are no studies that identify whether business graduates in Singapore are more likely to start their own businesses compared to graduates of other fields. It is interesting to note that half the entrepreneurs are graduates from one single institution, The Singapore Polytechnic.

<sup>240</sup> The Singapore Polytechnic is Singapore's most established institution for the training of engineering technicians. Incoming students need to have completed at least a high school or senior high school equivalent before gaining admission.

The educational level of this small sample is contrary to the common myth that going to school doesn't make people more likely to start businesses. If anything, it keeps people from becoming entrepreneurs. This myth has been spawned by examples of successful entrepreneurs like Steve Jobs, founder and CEO of Apple Computer; Michael Dell, founder and CEO of Dell Computer; Bill Gates, founder of Microsoft; and Larry Ellison, founder and CEO of Oracle, who all dropped out of College.

Scott Shane studied the impact of education on the likelihood that a person will work for himself or herself. By controlling the effects of other explanatory factors like race, age, gender, wealth, and industry; he found that self-employment increases among those who complete college and continues to gradually increase with Associate degrees, Bachelor degrees, Master degrees and Professional degrees. "Contrary to the myth, going to school actually increases the odds that you'll become an entrepreneur. But once you have a graduate degree, further education does not increase your chances of becoming an entrepreneur...if you want to become an entrepreneur, go to school."<sup>241</sup>

It is not clear from Shane's data why there is a link between further education and the increased likelihood of entrepreneurship. But one can argue that the same drive and discipline required in further education will also be required to start a business. At the same time, further education will expand the horizon of the student and even create new opportunities and possibilities through time spent with other likeminded students.

### **Summary On The Entrepreneurs' Background?**

All eight entrepreneurs interviewed are married, with the exception of one who is separated. All of them have children: Yen has the fewest with one child, and Lim has the most with four children. Family background seems to be a common factor among these

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<sup>241</sup> Shane, *The Illusions of Entrepreneurship*, 46-47.

entrepreneurs. They grew up in big families (average family of 5.3 children) and most were rather poor while growing up. These factors may have provided the impetus for developing their capacity for hard work and entrepreneurship.

Six of the eight entrepreneurs are middle aged, from the mid-40s to early 60s (refer to Table 1B). This is consistent with data on entrepreneurs in the United States where the middle-aged group of 45 to 64 accounts for 53percent of all entrepreneurs (data not available for Singapore).

Seven of the above interviewees have tertiary education; the only exception finished high school. This data is consistent with research done in the United States that going to school actually increases the odds that you'll become an entrepreneur. However education beyond the graduate degree does not increase the odds further.

The emphasis on education is an important factor for aspiring entrepreneurs to recognize. Young people who are eager to become entrepreneurs need to take their education seriously, and view their education as an important step to becoming successful entrepreneurs.

### **Three Distinct Characteristics Of These Entrepreneurs**

In chapter 3, four distinct characteristics of Chinese entrepreneurship are highlighted. These four characteristics are: the involvement of the owner's family, a patriarchal organization structure, a serious work ethic, and pragmatism. During the interviews, three of these characteristics -- family involvement, patriarchal structure and a serious work ethic - were frequently mentioned. Given the time limit of the interviews and the scope of the study, it was not possible to uncover any conclusive evidences about their pragmatism.

**(a) Involvement Of The Owner's Family In The Business**

Table 5: Involvement of Family in the Business

<i>S/N</i>	<i>NAMES</i>	<i>FAMILY MEMBERS</i>	<i>RELATIVES</i>	<i>NO OF EMPLOYEES</i>
<i>1</i>	<i>Dr. Tan</i>	<i>NIL</i>	<i>NA</i>	<i>No employee</i>
<i>2</i>	<i>Lim</i>	<i>Three brothers and two of Lim's children</i>	<i>NA</i>	<i>2,000</i>
<i>3</i>	<i>Yen</i>	<i>NIL</i>	<i>NIL</i>	<i>About 200</i>
<i>4</i>	<i>Sng</i>	<i>All siblings</i>	<i>Many</i>	<i>360</i>
<i>5</i>	<i>Lee</i>	<i>Daughter will join after grad.</i>	<i>NIL</i>	<i>6 direct &amp; 20 (Sing), 50 (Indo) agents</i>
<i>6</i>	<i>Yeo</i>	<i>Wife, several siblings</i>	<i>Other relatives</i>	<i>Was 100</i>
<i>7</i>	<i>Soh</i>	<i>Nil</i>	<i>Nil</i>	<i>3</i>
<i>8</i>	<i>Tan</i>	<i>Brother will join shortly</i>	<i>Nil</i>	<i>2</i>

From the above table we can argue that the involvement of family is central to the businesses run by these Chinese entrepreneurs. Five out of the eight entrepreneurs' businesses have some form of family involvement. Lim, Sng and Yeo have a sizable number of employees and sizable participation from their families. Lee hopes to convince his eldest daughter to join his insurance business after her graduation next year, and Tan's other employee will be his brother.



This is consistent with the findings outlined in Chapter Three: Literature Review. The familial values of commitment, loyalty, protection, welfare, paternalism and obligation provide the emotional support to start and build a business.

Lim's three brothers have been involved in the business as shareholders since the beginning. As Philip Capital grew and new capital was required, Lim sought the participation of his brothers. Two of Lim's children also work in the firm. Lim starts his children at the lower ranks of the organization and expects them to work their way up. His children complained that Philip Capital is underpaying them. Lim is adamant that his children should not be given preferential treatment.

In a traditional Chinese company, the business is more than just money; the business is part of the family and it is more than just the founder or individual family members. In many ways the business is the family. The identity of the family is tied to the business, and vice versa, and the business is expected to remain in the family for generations. "We can die, but the company cannot die!" Sng recalled his late father's oft repeated resolution. Sng's father died eight years ago at the age of 78.

Throughout their over fifty-year history, Sng's group never issued a single dividend. All profits made in the group are reinvested into the business to keep it growing. This policy of reinvestment has stood them in good stead during the last financial crisis in 2008/2009 as they have relatively little debt.

Sng's comments reinforced the concept that the business and the family are viewed as the same entity. Unlike a Western legal concept that the company and individuals are different legal entities; the Chinese view the business as an extension of the family. There

is no need to issue dividends from the business to the family as both are one and the same entity as far as Sng and his family are concerned.

Like most entrepreneurs, Yeo decided to bring his family into the business.<sup>242</sup> He brought in his sister who had prior experience in the type-setting profession. Another sister was working in a local telecommunications company but came in to help with the business. As the business expanded; Yeo brought in his wife to help in the accounting area. Finally, he brought in his brother, an MBA graduate in the travel business, to assist him in overseeing the fledgling business.

Yeo's sisters took good care of the back-room printing operations and the overall business was overseen by Yeo, his wife and his brother. As the business grew, Yeo continued to pursue new businesses and delegated day-to-day operations to his brother.

Lee's eldest daughter is finishing her studies and he hopes to entice her to join his agency. She is young and could be a potential leader for recruiting younger agents into the agency. More importantly, it allows Lee to come closer to his ideal of integrating his family into his work and travels.

Tan's younger brother, a Master of Commerce (Finance) graduate, is working in a pharmaceutical firm and his elder brother is in the telecom equipment business focusing on the Vietnamese market. Tan hopes that both his brothers will soon join him in CTI and jointly build the business.

Tan is preoccupied with the future of the business not only for himself but for his descendents as well. He aspires to build a business empire that can be handed to the next

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<sup>242</sup> Most Asian start-ups turn to their families for recruitment for two key reasons: as a young company it is difficult to attract experienced professionals and lure them away from a stable career to a fledgling business. Another reason is the preference for people whom the family can "trust."

few generations. If he cannot give the subsequent generations a business that is enduring, “he cannot consider himself a successful father.” He wants to leave a legacy of a “founding father” who builds and leaves behind a thriving business, and to bring continuous wealth for his family, while helping mankind at the same time.

Tan’s children are young; his oldest child is only eight years of age. Nevertheless, he is already planning for their future, trying to teach them about business and working life.

Of the three businesses that have no family involvement, one (Dr. Tan) has no employee and the other (Soh) has only three employees; Yen is the only exception, with nearly 200 employees and without any family member involved in his business.

Both Dr. Tan’s and Soh’s businesses are currently small and have limited scope for family involvement. However, as they expand it is likely that their family will be roped into the businesses. Soh’s children are young and barely into their teens. As Soh’s business matures and his children grow older, he might bring his children into the business. Family has always been a source of cheap, exploitative, and readily available labor. Family is not just an economic source but a reliable source of committed and loyal employees that will fuel growth.

Yen is the exception among this group of eight entrepreneurs. He is adamant that business and family must be kept separate. He is not troubled by the fact that none of his family members will take over his business if he has to retire or step down. It has always been that way in his upbringing. “I would never want to be involved in my brother’s or father’s business. Since young, my mother had thought us not to expect anything from the business. We were told to be independent.”

“My wife is not allowed to ask my secretary to do anything. It has been like that since my father’s days. What happens in the firm must be kept separate from the home. My parents are Westernized, Shanghai, where they came from, was very westernized and open.” Yen’s father was educated in a Christian mission school, which is probably why they were not influenced by the traditional Chinese concept of family business. Yen’s grandfather was educated in Brown University in the United States, and probably had a significant impact on Yen’s father’s rather uncharacteristic Western mindset.

#### **(b) A Patriarchal Organizational Structure**

The centrality of family in the Chinese mindset results in another distinct characteristic in a Chinese business: a patriarchal business structure. In chapter 3, Literature Review, it was argued that this second key characteristic of patriarchal structures permeates most Chinese organizations and their businesses. Compliance is valued and ultimate power resides almost exclusively with the head of the family or the head of the organization.

In return for their employees’ compliance and loyalty, these patriarchal leaders are expected to be nurturing, benevolent and kind. Deep personal relationships are developed and nurtured between the leader and the subordinates. Patriarchal businesses are expected to provide security and commitment, and not let go their employees in the face of business recession and difficulties.

Table 6: Patriarchal Organizational Structure

NAME	EMPLOYEES	SIGNS OF PATRIARCHY	DOWNSIZING	SUCCESSION
<b>LIM</b>	2,000	Called himself a Benign Dictator	Never in its 35- year history	Not Available
<b>Sng</b>	360	Eldest brother firmly in charge	Never in its 30- year history	Taboo subject - not discussed to avoid division
<b>Yen</b>	200	None	Never in its 14- year history	Successor in place

Only three (Lim, Sng, Yen) of the eight interviewees oversee businesses that are large enough to allow meaningful enquiry into the organizational culture of their businesses. Yeo's business used to hire a hundred employees but it has since been closed.

Lim acknowledges that he subscribes to an unfashionable though benign dictatorship. His favorite term is "non-negotiable." His favorite line is "our reference point is ourselves."<sup>243</sup> Lim claims he has no sense of fashion and is proud of it. He steers clear of the latest business fads and models.

He shuns the model of building a business just to sell it for a profit. He prefers "continuous pruning," and "has never indulged in" any downsizing within his group. "The

<sup>243</sup>Susan Long, *Difference Makers: Stories of Those Who Dared* (World Scientific Publishing, 2005), 105.

easiest way to change is to use a new set of people. But the more arduous route to take – and the real challenge for a leader – is to change your existing people.”<sup>244</sup>

As in most Chinese firms, the management and decision-makers of Sng’s family business are made up of the four brothers, a number of relatives, and several long serving loyal employees. The undisputed head of the business is the eldest brother who succeeded his late father eight years ago. Most of the workers have been with the group for decades. The group has never let go any of its employees and gives substantial room for their employees to make decisions. Meetings are discouraged unless absolutely necessary. Sng has tried to have regular meetings but met with resistance from the staff. A multimillion-dollar tender can be decided by a few close and trusted members and the final decision rests with the chief engineer (a close relative).

Yen is again the only exception who regards his management style as being more Western than Chinese. Yen keeps his door open at all times and delegates most of the day-to-day operations to his subordinates. He sees himself as the outgoing chief executive officer (CEO) rather than the patriarch of the business. He does not expect himself or his family to remain as a major shareholder of the business beyond his tenure as the CEO. He hopes to be able to sell his shares prior to his retirement in another three years.

Yen’s business is unique compared to the other seven entrepreneurs. All the other businesses are owned by the entrepreneur himself or jointly with their families. Yen’s Secom Singapore is a joint venture with Secom Japan, and is a subsidiary of Secom Japan. Secom Singapore’s technologies and know-how come from Secom Japan, but the local contacts and relationships are managed by Yen. If Yen decides to sell his shares in Secom Singapore, his Japanese partner will buy him out, and appoints another executive to

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<sup>244</sup>Long, *Difference Makers*, 103.

oversee the Singapore business. It is difficult to say whether Yen's management style would be more like the other Chinese entrepreneurs if he and his family had full control of Secom Singapore.

Zhang and Ma warn that despite the family businesses' advantage of loyalty, commitment and respect for authority and hierarchy, it is important that family firms with fast growth, increasing pressure from the market, institutional changes, and cultural evolution work toward professionalization of management in order to stay relevant and competitive.<sup>245</sup>

The big challenge for a family business is always succession planning. In order for succession to take place, the patriarch has to step down or be taken away by death. It is disrespectful to ask the patriarch to step down. At the same time it is taboo to talk about death in a Chinese family, especially the death of the patriarch. Such discussion provokes accusations of being unfilial. This is best reflected in the case of Sng.

The second generation of leaders in Sng's family business currently do not have a succession plan in place. This issue was never extensively or deliberately debated or even discussed. The children have expressed no desire to join the business and will likely pursue careers as professionals. The current leaders could possibly lead the group for another five to ten years but the intense pace of globalization will demand that the group look seriously and quickly into the grooming of future able leaders.

The group does not have an active board of directors, and even among the brothers there are no meetings to discuss future plans. The CEO has little formal education, but is hard working and puts the interests of the group at heart. "My brother does a good job and

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<sup>245</sup>Jianjun Zhang and Hoa Ma, "Adoption of professional management in Chinese family business: A multilevel analysis of impetuses and impediments," in *Asia Pacific Journal of Management*, vol. 26, No. 1, (March 2009). Please refer to Literature Review for a more extensive coverage on Familism.

doesn't keep money for himself." When asked why the brothers do not spend more time deliberating about succession planning, Sng responded with finality, "Clarity will create division."

Lim, whose organization now spans 11 countries and 2,000 employees, is no less fervent about building a business that will last long after him. His reasons are almost primal: "It's a myth that the primary motivation of business is to make money. You do it because of what you are. Otherwise, you vegetate and lose your sense of purpose." Lim recognizes that he needs a successor but was coy about details.

Yen is again the exception who has his succession plan in place. He hopes to retire in about three and a half years when he reaches 65. He has identified a successor and is taking his time to see if this person will win the respect of the older colleagues. The future of the business is steady. The service part of the commercial security business is good but more research and development is needed to develop new products and services to expand into new areas.

### **(c) A Serious Work Ethic**

A work ethic is a set of values based on hard work and diligence. It is also a belief in the moral benefit of work and its ability to enhance character. Hard work has always been a key value of the Chinese and the interviews hope to establish the working habits of the eight entrepreneurs and compare them with previous generations of entrepreneurs or the general working public.

A serious work ethic is characteristic of not only the Chinese entrepreneurs but other entrepreneurs around the world. Shane finds that the typical entrepreneur works longer hours. "Studies show that both the median (typical) and mean (average) number of



hours worked by people who run their own businesses are higher than those of people who work for others.”<sup>246</sup>

According to Shane, entrepreneurs have a greater work-load compared to the average employee in all of the countries where it has been examined, except for Chile and Russia. In some countries, for example, Germany and Poland, the average entrepreneur works as much as an additional 13 or more hours per week.<sup>247</sup>

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<sup>246</sup> Shane, *The Illusions of Entrepreneurship*, 103.

<sup>247</sup> Shane, *The Illusions of Entrepreneurship*, 104.

Table 7: A Serious Work Ethic

<i>S/N</i>	<i>NAMES</i>	<i>YEARS IN PRESENT BIZ</i>	<i>WORKING HRS</i>	<i>WORK TRAVEL</i>
<i>1</i>	<i>Dr. Tan</i>	<i>12 years</i>	<i>Now flexible</i>	<i>Limited</i>
<i>2</i>	<i>Lim</i>	<i>35 years</i>	<i>9am to 11pm (1.5 hr dinner break at home)</i>	<i>Extensively</i>
<i>3</i>	<i>Yen</i>	<i>14 years</i>	<i>Starts and ends early</i>	<i>Extensively</i>
<i>4</i>	<i>Sng</i>	<i>30 years</i>	<i>9am to 6pm</i>	<i>NIL</i>
<i>5</i>	<i>Lee</i>	<i>12 years</i>	<i>Normal working hours with evening socials</i>	<i>Limited</i>
<i>6</i>	<i>Yeo</i>	<i>20 years</i>	<i>10.30 am to 10 pm</i>	<i>Limited</i>
<i>7</i>	<i>Soh</i>	<i>6 years</i>	<i>9am to 5.30 pm</i>	<i>Limited</i>
<i>8</i>	<i>Tan</i>	<i>7 years</i>	<i>20 hours per day</i>	<i>Extensively</i>

Dr. Tan had in his varsity years and subsequent career developed a habit of waking up early at 6.15 am and spending 45 minutes studying the Bible. During his career at the Singapore Institute of Management, he had to practice good time management to cope with the demands of long hours at the office. His workday typically ended late, around 10 p.m. After work, he had to do more reading and lesson preparation, and would often go to bed around midnight.

Dr. Tan admitted that his work habits were influenced by his Christian faith and, particularly, the Protestant Ethic<sup>248</sup> of diligence, thrift, and discipline. This stringent work ethic enabled him to pursue and complete a six-year PhD study at Henley Management College (now Henley Business School at the University of Reading). He developed a quantitative research method to investigate the link between good performance and the work of Singapore-based managers.

Even now, a year from 70 years of age, Dr. Tan continues to be actively engaged in business, serving as an executive director of a business management school, and, on behalf of his own company, travels in the region to give training in management consultancy.

Lim continues to be a hard worker despite overseeing more than three and a half decades of tremendous growth and success in Philip Capital. "I don't distinguish between work and living. I come in at nine and finish at eleven at night. This is interspersed with dinner at home, which is about one and a half hours. But I can break away from the office and they don't call me and I don't call them." Though preoccupied with the question of succession, he is nevertheless still very involved with the ongoing operations of the business.

Yen has always enjoyed hard work. While in the military, he started work every morning at 7.30a.m. When he was in the construction business, he enjoyed spending time on the construction site. He enjoys being in the field and talking to people. "I am forever at the site and I enjoy it. I was dark and tough during those days." Yen believes in keeping

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<sup>248</sup> This term is identified with Max Weber; according to Weber; in his 1905 essays on *Protestant Ethic and "Spirit" of Capitalism* there is a historical relation between Protestantism and Capitalism. Weber's central thesis is that modern capitalism flourished especially in countries where "ascetic" forms of Protestantism were important. This "spirit" of capitalism is irrational and unnatural and could not have arisen without the support and sanction of certain religious doctrines peculiar to the "ascetic" species of Protestantism.

his personnel small. In every company that he runs, he has known every employee personally. He observed that most problems are directly and indirectly related to personnel.

Reflecting on the transition from an employee to an entrepreneur, he sees a big difference. When you are working for a government-related company, resources are never a problem. "Even though I know I am under pressure to do well, but I know if everything failed I am ok. The stress is different; I don't have sleepless nights thinking about paying salaries, etc."

Sng works from about 8.30 or 9a.m. to 6p.m. from Mondays to Fridays, but the business also operates on Saturdays. He is glad that he is able to go home at 6p.m. every day and hardly needs to travel for business. Family seems to be as important if not even more important than his work and business. His daughter is doing her 'A' levels this year and his son is in secondary 4. He does not feel that he should work beyond the above mentioned hours as the business is already well established.

Lee never stops networking. It is partly for business, but it is also Lee's desire to meet people and make new friends. Lee splits his day between meeting clients, overseeing his operations, and training his subordinates. Several times a week he would spend his evenings meeting with clients who have become his friends. Lee is a people-person. He is warm and affable and shows a genuine interest in people. He travels widely to expand his networks and has tremendous knowledge of his industry. His network of friends and acquaintances is impressive. As we walked around the block that housed his office, many people came and exchanged friendly greetings.<sup>249</sup>

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<sup>249</sup> The writer is a classmate in the same Marine Engineering course in the Singapore Polytechnic. He was always easy to talk to and friendly. Even then he enjoyed meeting and knowing people.

Yeo is a hard worker. While he was running his business he would usually start work at 10.30 a.m. and finish at about 9 to 10 p.m. His wife worked even harder, after returning from work at 10 p.m. she would continue with her office work till about 2 to 3 a.m. Yeo has an insatiable appetite for work. Earlier in his career he spent seven years studying at a local theological college, six years part-time and one year full-time. Yeo is always looking out for new business to do and more goals to accomplish.

Soh worked long and hard while building his first business, Max Quality. Now he wants to give more attention to his children, particularly his son. He now works from 9 a.m. to 5.30p.m. Mondays to Fridays, and spend Saturdays fishing. He travels one week per month and tries to return home by Friday.

Even when he was working for distributors in the cell phone trade, Tan frequently worked long hours, and most of his weekends were spent in mobile phone road shows in shopping centers. When he became an entrepreneur in 2003, he started working 20 hours a day. He spent half his time in Shenzhen, China, and the other half in Singapore, working from home.

Tan would start trading at 4p.m. each day, Singapore time, or 8 a.m. European time. He wanted to be the first to call/email the cell phone suppliers in Europe and buy whatever competitive stocks they might have. Tan's European trading activities would last until about midnight, Singapore time, when the European traders would close for the day. Concurrently, from 10p.m. (Singapore time) onwards, Tan would start calling/emailing US traders. Finally, at 4 a.m. (Singapore time) he would call it a day and go to sleep. By 8 a.m., however, he would be up again to get ready to talk with his partners and buyers in China about what he had bought a few hours earlier.

Most of his waking hours in between trading would be spent following mobile phone forums on the internet, and looking for information on the internet about mobile phones' prices.

All the eight entrepreneurs are highly motivated and hardworking. All seven, except Sng (who has never worked outside the family business), were all disciplined and diligent even when working for others. Dr. Tan and Yeo were working and studying part time for many years, and Tan practically works around the clock, catching time zones in Europe and the U.S. every 24 hours.

Working conditions today are vastly different from the times of the early entrepreneurs. Today, we work in the comfort of air conditioned offices away from the heat of the Singapore's tropical sun. Today, transportation and communication are much more advanced and allow business transactions to be conducted more easily and speedily. However, today's competition is also more intense and markets are far more complex. The above data shows that the entrepreneur's daily working hours range from 8 to 20 hours. The simple daily average working hours is about 11 hours. These entrepreneurs probably worked far fewer hours than the pioneer entrepreneurs.<sup>250</sup> Only Lim's (12.5hr) and Tan's (20hr) working hours come close to the pioneers' 14-hour workdays. However this group of eight entrepreneurs' average daily 11 working hours is comparable to the working hours of entrepreneurs in Germany. A survey was conducted in 1999 to find out the average number of hours worked per week for the self-employed and wage-employed by country.

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<sup>250</sup> According to Loh and Lee, *Beyond Silken Robes*, millions left the shores of China to seek a better life in Singapore and elsewhere. Those who came were subjected to long working hours, which could stretch to 14 hours a day. Grace Loh and Su Yin Lee, *Beyond Silken Robes: Profiles of Selected Chinese Entrepreneurs in Singapore* (Singapore: Times Academic Press, 1998).

Germany had the highest self-employed working hours of about 55 hours per week or 11 hours per day.<sup>251</sup>

The working habits of the eight are more intense and stressful when compared to the general public. Failure could mean calamitous consequences for the entrepreneur and his family, but the rewards for success are far more significant compared to the fruits of labor of the general worker. However, once success is achieved, the work intensity of the entrepreneur can drop, and this was the case for both Sng and Soh; they now work from 9a.m. to about 6 p.m. daily.

Compared to Singapore's pioneer entrepreneurs, this group of entrepreneurs has received much higher education. All of them, with the exception of Sng, have tertiary education mainly in the field of engineering. Dr. Tan has a Ph.D. in management and Lim has a master degree in management studies.

All of them are articulate and have keen and active minds. Throughout the interviews they were clear about their goals and the direction of their businesses. They read widely and share a desire for continual learning. The importance of learning as a key component in their development as entrepreneurs was emphasized throughout the interviews.

An interesting factor surfaced in the analysis, four of the eight had absentee fathers. Lee's late father was a seaman, Yeo's late father was a gambler, Soh's father died when he was in his youth, and Tan's father has a second family. This factor may have created an insecurity that motivates them to work hard and become high achievers in their adult lives.

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<sup>251</sup> Shane, *The Illusions of Entrepreneurship* Table 6.2, 104.

## **Summary Of The Three Distinct Characteristics of The Entrepreneurs**

The businesses of the entrepreneurs interviewed display the three characteristics of typical Chinese businesses: involvement of family, a patriarchal organization structure, and a serious work ethic.

Five of the eight entrepreneurs' businesses have some form of family involvement. Lim, Sng and Yeo have sizable numbers of employees and considerable participation from their families. Lee hopes to convince his eldest daughter to join his insurance business after her graduation next year, and Tan's other employee will be his brother. Of the three businesses that have no family involvement, one (Dr. Tan) has no employees and the other (Soh) has only three employees. Yen is the only exception, with a business hiring nearly 200, without any family member's involvement.

Only three (Lim, Sng, Yen) of the eight interviewees oversee businesses that are large enough to allow meaningful enquiry into their organizational cultures. Lim acknowledges that he subscribes to an unfashionable though benign dictatorship. His favorite term is "non-negotiable." Like most Chinese firms, the management and decision makers of Sng's family business are the four brothers. The unchallenged head of the business is the eldest brother who automatically succeeded his late father eight years ago. Yen is the only exception who regards his management style as being more Western than Chinese. Yen sees himself as the chief executive officer (CEO) rather than the patriarch of the business.

All the eight entrepreneurs take their work seriously. Many of them continue to keep long hours at work despite decades of managing their businesses. Several of them



travel extensively and most of them do not plan to slow down. These entrepreneurs are intense and passionate about their work.

In this group of eight interviewees, there were no discernible differences between the Christian and non-Christian entrepreneurs in manifesting the three characteristics of family involvement in the business, patriarchal leadership, and a serious work ethic. However, this group of eight entrepreneurs' three characteristics are consistent with similar characteristics displayed by other Chinese entrepreneurs in Asia.

### **Reasons For Starting Businesses**

Lee and Low in their study of 20 Singaporean entrepreneurs and analysis of 34 writings on entrepreneurs summarize six reasons why entrepreneurs start their own businesses.<sup>252</sup>

1. Family environment (growing up in the family business);
2. Long-cherished ambition;
3. Previous job (it can either provide dissatisfaction or essential experience for start-up);
4. Perception of business potential;
5. A hobby/ a love becomes a profession; and
6. The "by accident" factor.

All eight interviewees gave a primary and secondary reason for taking the plunge to quit their jobs and start their own businesses. The table below shows these reasons the

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<sup>252</sup>Tsao Yuan Lee and Linda Low, *Local Entrepreneurship in Singapore: Private & State* (Singapore: Institute of Policy Studies, 1990).

writer deduced from the interview transcripts. Some of the interviewees were clear about their reasons but a few had never been asked the question before and were unclear about their reasons.

Six of the eight have started more than one business and will probably continue to be serial entrepreneurs for the rest of their lives. Table 8 is a compilation of these data.

Table 8: Reasons for Starting Businesses

<i>S/N</i>	<i>NAMES</i>	<i>PRIMARY REASON</i>	<i>SECONDARY REASON</i>	<i>AGE at 1<sup>ST</sup> VENTURE</i>	<i>AGE at start of Current Venture</i>	<i>INDUSTRY</i>
<i>1</i>	<i>Dr. Tan</i>	<i>By Accident</i>	<i>Previous Job</i>	<i>Early 20s</i>	<i>55</i>	<i>Education &amp; Training</i>
<i>2</i>	<i>Lim</i>	<i>Cherished Dream</i>	<i>Family Environ</i>	<i>23</i>	<i>28</i>	<i>Investment &amp; Finance</i>
<i>3</i>	<i>Yen</i>	<i>Perception of potential</i>	<i>Family Environ</i>	<i>48</i>	<i>NA</i>	<i>Security System</i>
<i>4</i>	<i>Sng</i>	<i>Family Environ</i>	<i>Family Environ</i>	<i>21</i>	<i>NA</i>	<i>Construction &amp; Marine</i>
<i>5</i>	<i>Lee</i>	<i>Perception of potential</i>	<i>Previous Job</i>	<i>28</i>	<i>29</i>	<i>Insurance &amp; Fin. Services</i>
<i>6</i>	<i>Yeo</i>	<i>Perception of potential</i>	<i>Previous Job</i>	<i>Mid 20s</i>	<i>40s</i>	<i>Publishing &amp; Printing</i>
<i>7</i>	<i>Soh</i>	<i>Cherished Dream</i>	<i>Previous Job</i>	<i>33</i>	<i>37</i>	<i>Electronic Component</i>
<i>8</i>	<i>Tan</i>	<i>Cherished Dream</i>	<i>Previous Job</i>	<i>Early 20s</i>	<i>32</i>	<i>Bio-pharmacy &amp; Trading</i>

### Primary Reasons

One of the most common reasons for these entrepreneurs to start businesses was a long cherished ambition of owning their own businesses. Three (Lim, Soh, Tan) of the eight had this desire. Lim started a slew of businesses at age 23: a housing agency, an accountancy training school and a credit information bureau fashioned after Dun and Bradstreet. Though they all lost money, they were works in progress “that will be successful when the time is right.”<sup>253</sup> Lim never stopped looking for opportunities and

<sup>253</sup>Long, *Difference Makers*, 106.

eventually bought into a stock-broking firm. At age 28 he withdrew his personal savings of \$100,000, borrowed \$100,000 from the bank, and another \$50,000 from his father to buy a 12.5 per cent stake in the stock-broking firm that was to become Philip Capital.<sup>254</sup>

While still a youth, Soh had decided to do three consecutive things: pursue a diploma in engineering at the local polytechnic; go into a sales job after graduation to gain the necessary business experience; and to start his own business. He spent three years at the polytechnic, and worked another ten years before fulfilling his dream of entrepreneurship. He set up his first venture in 2000. After selling this business, he formed another in 2004.

Tan was working in the mobile phone distribution business in the mid-1990s. This was a time when demand for mobile phones far exceeded production and supply. In between jobs he managed to set up a hand phone retail shop, but shut it down when he could not manage it. He was then in his mid-20s. His work also exposed him to the potential demand in China, a population of 1.2 billion people, with a dire need for mobile phones because of the then weak telecom infrastructure. A few years later, he jumped in again to set up a mobile phone distribution business in China.

The other common reason is the perception of business potential by the entrepreneurs. Three (Yen, Lee, Yeo) of the eight gave this reason. While working as a general manager in Chartered Development Corporation (CDC), Yen decided to expand his firm's business into commercial security.

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<sup>254</sup>Long, *Difference Makers*, 106.

Yen's company formed a joint venture with Secom Company Limited of Japan in 1992.<sup>255</sup> CDC through its subsidiary, Reliance Contractors, held 45 percent of Secom Singapore and was expected to break-even within three and a half years. Four years later, in 1996, Secom Singapore was still bleeding and Yen's detractors predicted that it was doomed to fail. Out of frustration, Yen offered to buy out the loss-making venture. Yen was certain things would improve and he was convinced that within a few months Secom Singapore would turn around. He put his money where his mouth was and bought CDC's 45 percent stake in Secom Singapore. He was right, Secom Singapore turned around within the next 12 months.

Lee's colleague in the navy had terminal cancer and eventually died. His colleague's biggest fear wasn't death but how his young family would be provided for as he had no insurance coverage. That tragedy made Lee realize how important life insurance is. If his colleague had bought adequate life insurance, his treatment might have been more comfortable and dignified in a private hospital. More importantly, there would be more funds left for the future needs of his family. Lee decided that he would give up his fledgling gift business<sup>256</sup> and enter the insurance business. His plans were to learn the ropes of the business as an independent agent, and then gradually build his own insurance agency.

Yeo "stumbled upon" entrepreneurship in the publishing industry. He saw the possibilities of publishing and the importance of learning through mass communication. His vision was to promote God's word via the mass communication. He started a

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<sup>255</sup>SECOM Co., Ltd. is the largest security company in Japan. SECOM was established in 1962 as the first private security company in the country. In 1964 SECOM pioneered the man-machine philosophy which combines highly trained personnel and high technology security equipments.

<sup>256</sup> In 1988 he shut his corporate gift business and wrote off losses of \$30,000.

publishing company, and for the next 20 years, gradually built an integrated company that covered the whole range of advertising, design, and full-color printing.

Dr. Tan was the only respondent that referred to himself as an “accidental entrepreneur.” He was first asked and supported by his father to start a pharmaceutical retail and Kodak film-processing center. This first venture failed quickly. He was to return to entrepreneurship 30 years later after his retirement. His extensive experience in management training was the launching pad for his new venture in management education. Being an entrepreneur was never part of his dream or a goal of his career.

Sng was the only entrepreneur that cited his family environment as the reason for getting into business. Sng joined the family business after his national (military) service at the age of 21. All his brothers were already in the business, and, being the youngest, it was the expected and natural course for him to follow. He and his siblings are commonly referred to as “second-generation entrepreneurs.”

### **Secondary Reasons**

The most common secondary reason is previous job experience, with five of the interviewees citing this reason. Four of them, Dr. Tan, Yeo, Soh and Tan were in previous jobs that provide valuable experiences and contacts that were transferrable to their new start-ups. Dr. Tan’s decades of experience in managing a leading management school helped him to quickly set up his management consultancy when he retired. Yeo’s experience in the book business, Soh’s experience in electronic sales, and Tan’s experience in cell phone distribution provided the essential skills and contacts for their respective new start-ups. On the other hand, Lee’s previous career in the Singapore Navy was a driving force for his entrepreneurship. When told that he lacked the educational qualification to advance further, Lee chose to leave instead of studying further.

Family environment was another common reason with three of the eight interviewees citing this reason. Lim admired his hardworking father who operated a tire shop and rode a rickshaw to raise his family of nine children. Yen's father held 50 percent stake in several businesses and his siblings owned and operated different businesses. Sng was raised in an environment where family and business was one single entity.

In comparing the data from the interviews with secondary literature we can conclude that, nearly 20 years later, Lee and Low's six reasons based on 20 Singaporean entrepreneurs are still relevant today. Four of Lee and Low's six reasons were commonly cited by the interviewees: a cherished dream, perception of potential, previous job, and family environment. The fifth, "by accident," was only cited once.

### **Importance Of Work Experience In Starting Own Businesses**

An important factor that caused these entrepreneurs to start their businesses was work experience. The interviewees' previous job experiences served as a launching pad for them into businesses that they already had established experience and contacts (Dr. Tan, Yeo, Soh, Tan). The writer had parallel experience. He was a senior executive working for Motorola's Asia regional mobile phone division. This experience enabled the writer to become a successful entrepreneur by providing him with the necessary contacts and knowledge to quickly establish his first venture in mobile phone distribution.

The above data is in agreement with the Lee and Loh study. "Starting a business is not easy. The necessary expertise must be acquired...most started small and learnt from experience as they went along. Nevertheless, many acquired some skill before they started. The most common source is previous work experience in the same or a related field."<sup>257</sup>

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<sup>257</sup> Lee and Low, *Local Entrepreneurship in Singapore*, 130.

The above data also agrees with Shane's observation about the importance of the right working experience. "...the data show that work experience increases a person's chances of starting his own business...information that makes people more comfortable taking the entrepreneurial plunge - understanding how to manage other people, figuring out how to satisfy customers, learning to keep financial records... can be learned by working for others."<sup>258</sup>

Shane however emphasizes that certain experiences are more important than others. "People who work in occupations that are found primarily in the business world are more likely to start their own businesses than people who work in occupations that are found primarily in government, education, health care, or other non-business sectors."<sup>259</sup> This observation mirrors the interview results. Seven of the eight interviewees came from the business sector. The exception, Dr. Tan, who admits to being an "accidental entrepreneur," came from the education sector.

Shane agrees with the findings of other authors, "In particular, people who have more management experience – experience supervising people – are more likely than other people to start their own business."<sup>260</sup> The findings in these studies are consistent with the interviews' data. Six of the eight interviewees had responsibilities in managing or supervising people in their prior jobs before starting their ventures: Dr. Tan was Chief Operating Officer of a leading management training institution; Lim was research manager at the Singapore Stock Exchange; Yen was a general manager overseeing about 100 employees; Lee was a military officer; and Soh and Tan were both sales managers.

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<sup>258</sup> Shane, *The Illusions of Entrepreneurship*, 130

<sup>259</sup> Shane, *The Illusions of Entrepreneurship*.

<sup>260</sup> Shane, *The Illusions of Entrepreneurship*, 177.



It was also in their previous jobs that three of the eight entrepreneurs saw the potential of the industry that they were then employed in (Yen, Lee and Yeo). Mainly through their job experience and interaction with their environment; these entrepreneurs identified opportunities for their new ventures. Job experience is a major part of entrepreneurial development. Those who aspire to be entrepreneurs need to be selective about their early job experience, and carefully plan it to coincide with their entrepreneurial aspirations. I would like to qualify the above suggestions as preliminary and state that further study needs to be undertaken.

### **The Right Age To Become An Entrepreneur**

A question that is on most aspiring entrepreneurs' minds is "when is the right age to start?" The above data shows that most started their first venture in their 20s. Soh started a little later at 33, and Yen was the only exception who bought out his employer's stake in the commercial security business at the age of 48. Lee and Low's study of 20 Singaporean entrepreneurs confirms that "the majority of the local entrepreneurs interviewed started relatively young, in their twenties or thirties."<sup>261</sup> However, they noted that several late starters became successful as well.

The Singapore data is different from the data of the Kauffman Firm Survey<sup>262</sup> on founders in the United States. In the Kauffman report the most common age range for entrepreneurs to start their ventures was 35 to 44. "In fact, most studies show that people

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<sup>261</sup> Lee and Loh, *Local Entrepreneurship in Singapore*.

<sup>262</sup> The Kauffman Firm Survey is a "national probability" sample where data from it are weighted by the non-response-adjusted sampling weight. The sample is based on the Dun and Bradstreet listings of firms with a start date of 2004 and which perform business-initiating activities ( such as establishing a legal status or an employer identification number, or paying unemployment insurance or social security taxes) in 2004. Footnote from Shane, 176

aged 25 to 34 are either less likely or no more likely than people between the ages of 35 and 44 to start a business.”<sup>263</sup>

Please note that although the eight entrepreneurs’ age range at start-up was from their 20s to 30s, their ages at the time of this study are much higher. This cluster of eight entrepreneurs in Singapore has a middle-aged range of 45-64, similar to that among U.S. entrepreneurs. This was discussed earlier based on data from Tables 1 A & B.<sup>264</sup>

### **How Entrepreneurial Are They?**

In the analysis of entrepreneurial capabilities three aspects will be considered. One, the capacity for risk-taking; second, managerial capability; and third, ability to innovate. The purpose is not to establish how successful each of them is, but to determine how much of these three aspects of entrepreneurship each of them manifests.

Table 9 briefly established the three aspects of entrepreneurship for the eight interviewees by classifying the data in the following manner: the number of ventures to establish their capacity for risk taking; the size of the business to establish managerial capability; and the different industries ventured to establish innovativeness. This classification is far from precise; risk taking should also consider the capital investment put into the business and the opportunity cost of forgoing other opportunities. The size of the business does not always reflect managerial capabilities but is also a function of market opportunities. Innovation is best measured by new products or services generated. However, given the size of the study and the limitation of data, this classification is at best a rough approximation.

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<sup>263</sup> Shane, *The Illusions of Entrepreneurship*, 45

<sup>264</sup> This was discussed earlier under (1) Who are the Entrepreneurs: Interviewees’ Background

Table 9: How Entrepreneurial are They?

<i>S/N</i>	<i>NAMES</i>	<i>YEARS OF BIZ EXPERIENCE</i>	<i>NO. OF VENTURES STARTED</i>	<i>EMPLOYEE-ES</i>	<i>REVENUE</i>	<i>INDUSTRY</i>
<b>1</b>	<b>Dr. Tan</b>	<b>12 years</b>	<b>2</b>	<b>No employee</b>	<b>NA</b>	<b>Education &amp; Training</b>
<b>2</b>	<b>Lim</b>	<b>35 years</b>	<b>4</b>	<b>2,000</b>	<b>Nearly \$ 1 Billion</b>	<b>Investment &amp; Finance</b>
<b>3</b>	<b>Yen</b>	<b>14 years</b>	<b>1</b>	<b>About 200</b>	<b>\$16 million</b>	<b>Security System</b>
<b>4</b>	<b>Sng</b>	<b>30 years</b>	<b>None</b>	<b>360</b>	<b>\$40 million</b>	<b>Construction &amp; Marine</b>
<b>5</b>	<b>Lee</b>	<b>12 years</b>	<b>2</b>	<b>6 direct &amp; 70 agents</b>	<b>\$1 million</b>	<b>Insurance &amp; Fin. Services</b>
<b>6</b>	<b>Yeo</b>	<b>20 years</b>	<b>Many</b>	<b>Was 100</b>	<b>Was \$8 million</b>	<b>Publishing &amp; Printing</b>
<b>7</b>	<b>Soh</b>	<b>6 years</b>	<b>2</b>	<b>3</b>	<b>\$2 million*</b>	<b>Electronic Component</b>
<b>8</b>	<b>Tan</b>	<b>7 years</b>	<b>Many</b>	<b>2</b>	<b>\$2 million*</b>	<b>Bio-pharma &amp; Trading</b>

\* Writer's estimates only. The currency is in Singapore dollars. Conversion to US dollars is US\$1: S\$1.3

### Risk Taking

On the aspect of risk taking, Lim, Yeo, and Tan are the most aggressive. Lim started a slew of businesses at age 23: a housing agency, an accountancy training school, and a credit information bureau fashioned after Dun and Bradstreet. Though they all lost money, they were works in progress "that will be successful when the time is right."<sup>265</sup> Lim

<sup>265</sup>Long, *Difference Makers*, 106.

never stopped looking for opportunities and eventually poured his entrepreneurial energy and life into Philip Capital.

Since the mid-1990s, Yeo had thought about backward integration and the buying of high-speed printing presses to bring all his printing in-house instead of subcontracting it to the major printers. This was a major decision that involved a heavy capital commitment of nearly \$5 million. After his partner decided to back out of the project, Yeo decided to take the plunge alone in 2000 and increased his capital to \$1.5 million. The presses were bought and new and larger premises were leased. Sales grew exponentially, \$3 million in 2000, \$5 million in 2001, and finally \$8 million in 2002 before collapsing the year after.

Since his business failure, Yeo has started many other businesses: a funeral parlor, a food and beverage magazine, and a nutrition sales business. Though many were not successful, he remained optimistic that he would eventually be able to build a profitable and sustainable business.

After making his first \$2million through mobile phone trading, Tan expanded into many other areas such as dry cement containers, selling electrical scooters to America, marketing bamboo flooring to Europe, selling scrap plastics to China (when crude oil prices were above US\$100 per barrel), cement concrete water sealer (with a Dutch partner), China brand tobacco/cigarettes distributorship in the Maldives (CTI International Maldives was incorporated in 2007), bird's nest from Indonesia, and many more. At any one time, he was trying to work on six to ten projects, hoping to find the next big money spinner. In the process, he lost about US\$200,000, mainly to his ex-Singaporean partner who defrauded him. This loss did not deter him from exploring new ventures – and especially trusting new partners as he continued to look for new opportunities and good business partners.

## **Innovating**

Out of the group of eight, Lim and Tan are probably the most innovative. Lim's Philip Capital scored many firsts in Singapore: the first local broker to offer an online trading system called Poems<sup>266</sup> in 1996, and the first brokerage in Singapore to sell its own unit trust in 2001.<sup>267</sup>

Tan also has a high capacity for risk-taking and is continually finding innovative ways to generate new businesses. He has successfully moved from trading cell phones to an entirely new field, selling rather expensive health related supplements. His supplements are distributed widely in Singapore.

## **Managerial Capability**

On the aspect of managerial capability, Lim certainly stands out as the exception for building and running a world-wide financial organization of 2,000 people. What is amazing is how he took a struggling Singaporean company with a handful of employees and steadily built it into an international business of \$1 billion revenue over a span of 35 years.

Yen had proven managerial capability before owning his business. He was a senior professional manager with experience in building and restructuring organizations of several hundred employees. Yen's experience allowed him to quickly build up Secom Singapore into a major player in the corporate security market in Singapore.

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<sup>266</sup> Poems has clinched the Hitwise Singapore Online Performance Award as the No.1 ranking website visited by Singapore Internet users in 2008 and also 2007 for 'Business and Finance – Stocks and Shares' category.

<sup>267</sup> Most broking houses in Singapore sell unit trusts on behalf of banks and other financial institutions.

The managerial capabilities of the other six entrepreneurs are more difficult to establish. Sng's organization is the most established but it has a history of 50 years and was built over two generations. Yeo's business used to employ more than a 100 people, but eventually collapsed. Dr. Tan, Lee, Soh, and Tan operate small businesses that shed little light on their managerial capabilities.

The data seems to suggest that as a group, these eight manifest entrepreneurial aspects of risk-taking and innovation, but their managerial capabilities cannot be properly established because of the limited size of many of the businesses. Lim and Tan stand out for their risk-taking and innovation, and Lim and Yen stand out for their managerial capabilities.

There is a lament that Singapore's entrepreneurs lag behind their counterparts in other Asian economies in terms of numbers and capabilities. But it must be remembered that Singapore has several factors that limit entrepreneurship.

A) The local market is relatively small.

B) The government sector, Government Linked Companies (GLCs) and MNCs occupy the lion's share of the economy.

C) A highly disciplined and rule-based environment that invites foreign capital inflow and economic growth but breeds compliance and discourages dissent and deviant thinking.

D) The availability of jobs and relatively high education levels create a high opportunity cost for switching to entrepreneurship.

The preference for MNCs to local enterprises was reflected in an interview of the former Singapore Economic Development Board chairman, Chan Chin Bock. He said it does not matter if Singapore does not produce its own entrepreneurs. "...why do you want to worry about the shape of the deliverer, whether it is an MNC? ... You can have an MNC that performs a very good social function, and you can have a local entrepreneur that performs the worst social function."<sup>268</sup>

It is important to note that six of the eight entrepreneurs worked for several years before starting their ventures. Their opportunity costs were relatively high as they were doing well in their respective areas of expertise. Lim and Yen were senior managers when they made the switch to entrepreneurship. Unfortunately this study has not produced sufficient data to affirm or refute the claim that Singaporean Chinese entrepreneurs are less entrepreneurial than their other counterparts in Asia.

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<sup>268</sup>Jeremy Au Yong, "No home-grown entrepreneurs? No big deal," *The Straits Times*, Wednesday, April 22 2009.

## **CHAPTER 6: FINDINGS & CONCLUSION:**

### **No Differences Between The Christians& Non-Christians In The Three Characteristics Of Chinese Entrepreneurship**

Earlier we had uncovered the three characteristics of family involvement, patriarchal leadership, and a serious work ethic among this group of eight entrepreneurs. These characteristics are common among Chinese entrepreneurs in Asia and are associated with the strong influence of Confucianism among the Chinese population throughout the world.

Three of the four entrepreneurs with businesses that hire more than 100 employees (Lim, Sng and Yeo) have the highest level of family participation in their businesses. These three are all Christians. Lim and Yeo are active members in their respective churches and communities. Sng is a Christian but his brothers are not. Yen, the fourth entrepreneur, whose business hires nearly 200 employees, is a free-thinker. Yen does not have any family involvement in his business, and does not want any of his family to be involved. There does not seem to be a difference between Christian and non-Christian entrepreneurs when it comes to family involvement in the business.

There also does not seem to be a difference between the Christian and non-Christian entrepreneurs when it comes to adopting patriarchal leadership. Lim, who exhibits the most obvious patriarchal tendencies, is a devoted Christian who is active in the Christian community. Yen is a non-believer but exhibits the least tendency of patriarchal leadership. Sng's non-Christian eldest brother is clearly a patriarchal leader.

The adoption of patriarchal leadership is closely linked to the involvement of family. Both Lim's and Sng's businesses adopt a patriarchal organization structure and



also have heavy involvement from their families. These two characteristics are consistent with the influence of Confucianism among Chinese entrepreneurs throughout Asia.

Like the earlier two characteristics of family involvement and adoption of patriarchal leadership, there is no discernible difference between the work ethic of the Christian and non-Christian entrepreneurs. The serious work ethic of this collective group of eight entrepreneurs is more consistent with the work ethic of Chinese entrepreneurs throughout Asia regardless of whether they are Christians or not.

This preliminary study of eight Chinese entrepreneurs in Singapore, five Christians and three non-Christians, seems to suggest that the influence of Confucianism, particularly in the area associated with the centrality of family, permeates to Chinese entrepreneurs of all faiths. In addition, the traditional high regard placed on work is apparent among this group of entrepreneurs regardless of their faith.

### **No Differences In Entrepreneurial Skills**

There are no discernible differences in the entrepreneurial skills of risk-taking, innovating, and managerial capabilities between the Christians and the non-Christians. In the area of risk-taking, Lim and Tan are the most aggressive. Lim is a Christian but Tan is a devoted Buddhist. In the area of innovating, the most outstanding innovators are Lim and Tan again. Finally, in the area of managerial capabilities, Lim and Yen stand out as exemplary managers; Lim is a Christian and Yen is a free-thinker.

This area of study seems to indicate that there is no link between the development of entrepreneurial capabilities and the adoption of Christian values. As far as the writer is aware, there is no conclusive study in this area. Weber's famous thesis is about the

development of capitalism rather than entrepreneurial skills. Weber's central thesis is that modern capitalism flourished especially in countries, e.g., U.S. and U.K., where "ascetic" forms of Protestantism were important. According to Weber, this "spirit" of capitalism is irrational and unnatural and could not have arisen without the support and sanction of rational ethics of "ascetic" Protestantism.

In chapter 3 we identified three positive parallels between Confucianism and Christianity: a deep emphasis on the role of the family, the necessity for personal correctness of character of those in authority, and the affirmation of the golden rule.<sup>269</sup> However, the Confucian emphasis on family led to a lack of social consciousness and can encourage and foster nepotism and corruption in the absence of a strong legal structure.

The five Chinese Christian entrepreneurs' adoption of Confucianism need not be viewed as negative if the dangers of nepotism and corruption can be controlled. In the case of Singapore, the negative side effects of Confucianism are mediated because of the presence of a strong rational legal infrastructure. In the area of business, the Singapore government has adopted pro-business economic policies based on clear rules that leave little room for personal or familial interpretation or exploitation. In the Singapore system, corruption and fraud are quickly dealt with and severe punishments meted out.

Interestingly, the five Chinese Christian entrepreneurs would be shocked if it were suggested that they are strongly influenced by Confucian teachings. These five entrepreneurs see themselves more as Christian entrepreneurs than Confucian capitalists. As Redding rightly observes "Confucianism, like capitalism, is a matter of what you do. In consequence, the Asian region is full of people who behave according to Confucian

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<sup>269</sup>Matthew 7:12. So in everything, do to others what you would have them do to you, for this sums up the Law and the Prophets.

precepts but who would not think of themselves as members of a Confucian sect, its power is thus widespread but extremely difficult to delineate.”<sup>270</sup>

### **Christian Perspective On Entrepreneurship**

Earlier we had established that the five Chinese Christian entrepreneurs are as much influenced by Confucian values of family and hard work as the three non-Christian entrepreneurs. This section now focuses on the influence of the Christian faith on the ethical framework of the five Christian entrepreneurs. There will be no comparison between this group and the other group of three non-Christians.

Laura Nash identifies seven tensions that faithful believers in the United States experienced in their attempts to integrate faith and work. These seven tensions are: the love of God and the pursuit of profits; love and the competitive drive; people needs and profit obligations; humility and the ego of success; family and work; charity and wealth; and faithful witness in the secular city.

The five Chinese Christian entrepreneurs were shown this list of seven tensions and asked to comment. The purpose was not to establish whether they are generalist, justifier or seeker<sup>271</sup> but to uncover if these tensions even exist among the five entrepreneurs. During the interviews several of these tensions were repeatedly mentioned. The most frequently mentioned three tensions were: pursuit of money versus the love of God; humility and ego of success; and family and work. Details of responses to these three tensions are laid out in the next table. The other three tensions of people needs and profit

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<sup>270</sup>S. Gordon Redding, *The Spirit of Chinese Capitalism* (NY: Walter de Gruyter, 1993), 47.

<sup>271</sup> Terms used by Nash. Please refer to Nash's Chapter Three.

obligations, love and the competitive drive, and charity and wealth were not mentioned.

Even when prompted by the writer, little meaningful response was elicited. Lim, the most thoughtful and intellectual of the five was the only one to forward his thoughts on being a faithful witness in business.

Table 10: Christian Perspective of Entrepreneurship

<i>S/N</i>	<i>NAMES</i>	<i>CHRISTIAN CONVERSION</i>	<i>PARTICIPATION IN MINISTRY</i>	<i>PURSUIT OF MONEY</i>	<i>HUMILITY VS. EGO</i>	<i>TIME WITH FAMILY</i>
<i>1</i>	<i>Dr. Tan</i>	<i>Age 15</i>	<i>Teaching</i>	<i>NA</i>	<i>Talk about God rather than self</i>	<i>"Absentee father" until kids' teens</i>
<i>2</i>	<i>Lim</i>	<i>Age 17-18</i>	<i>Leadership and teaching</i>	<i>Not important</i>	<i>Humble despite success</i>	<i>Dinners with family</i>
<i>3</i>	<i>Sng</i>	<i>After age 30</i>	<i>NIL</i>	<i>Wary of money</i>	<i>Recognized his wealth is inherited</i>	<i>Key priority</i>
<i>4</i>	<i>Yeo</i>	<i>Age 20</i>	<i>Teaching</i>	<i>Continue to pursue various avenues</i>	<i>He "was puffed up."</i>	<i>Working thru problems with one of his child</i>
<i>5</i>	<i>Soh</i>	<i>Age 12</i>	<i>Missions</i>	<i>Money must balance with faith</i>	<i>Wary of boasting</i>	<i>Focusing on eldest son</i>

### **Pursuit Of Money**

Lim is befuddled by the current trend of building companies only to sell them. He does not agree that profit should be the primary motive for business. "It's a myth that the primary motivation of business is to make money. You do it because of what you are. Otherwise you vegetate and lose your sense of purpose."

The easiest task is to change a new set of people if objectives are not met, but the real challenge of leadership is working with what you have, by changing the existing

people.”<sup>272</sup> Lim prefers to talk about building a business over the long term rather than accumulating money. Lim is the testimony to this long-term perspective; he has been at the helm of Philip Capital<sup>273</sup> for the last 35 years.

Sng is wary that entrepreneurs could be easily “swayed to the money-side.” Money has a tremendous hold over our outlook and takes our eyes away from God. As far as the Sng family is concerned, the business is not just about making money. Sng himself is particularly wary of money and how it affects our emotions. “Good time you get a lot, and then during bad times the money is wiped out and creates sorrow.” He wisely observed, “Sorrow lasts a lot longer than joy.”

During the peak of Yeo’s business, he was handling million dollar checks. As the business expanded Yeo was able to buy many things for the office. Whatever he could afford, he bought. But now he will consider and re-consider each potential purchase carefully, and will pray before buying anything.

Soh is mindful that we need “a balance between money and God.” His experience in 2004 with the unfriendly takeover of his business was negative. The deal-makers were focused on the “money” rather than the relationships or business.

These Christians recognize that there is a tension between the pursuit of money and the Christian faith. Lim discounts money as the key objective of business. Sng and Soh are particularly wary of the power of money and the need to temper the pursuit of money with the pursuit of God. Both highlighted this concern without any prompting.

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<sup>272</sup>Susan Long, *Difference Makers: Stories of Those Who Dared* (World Scientific Publishing, 2005), 107.

<sup>273</sup> Philip Securities was renamed Philip Capital a few years ago to reflect the company’s expansion beyond the securities business.

## **Humility & Ego**

Lim is unassuming, warm and attentive. There is not a hint of arrogance or self-righteousness. His mannerisms are more like that of an academic professor than a business tycoon. One would not have guessed that he is the head of a billion-dollar international financial group. He is excited and enthusiastic in talking not only about his business but also about integrating faith and business.

One outstanding characteristic of Sng is his unassuming manner and modesty. Throughout the interview he tried repeatedly to direct the conversation away from himself and instead spoke glowingly of his father and brothers. When asked about his contributions, Sng was modest and avoided elaborating on his own work. He felt that his father had built the business and should be given all the credit. He repeatedly emphasized that he hopes all his brothers will do well and that they “will be blessed.”

Sng was in his company uniform during the interview: a gray long sleeve heavy cotton shirt with a company logo. He is now in charge of maintenance and receives a modest salary and drives a mid-sized Toyota.

Yeo recognizes that he was “puffed up.” He remembers being challenged once in a meeting about what kind of an advertising agency he was trying to build and confidently responded, “I will build this advertising agency to be as big as I can.”

Yeo admits he was like Jacob, opportunistic, driven, and self-seeking, but he is now like Israel, the new Jacob, submissive, obedient, and faithful. He built his now-defunct business relying only on himself. No, it is not about him anymore - it is not what Yeo can do, but what God can do. He constantly reminds himself about Jesus’ rebuttal of

Peter in John 21:22, “what is that to you? You must follow me.” He had trusted in chariots and horses, but now he must trust only the Lord (Ps20:7).

Soh was neatly dressed in a blue striped shirt and looked more like an executive than a “towkay.”<sup>274</sup> He speaks honestly about his own journey as an entrepreneur and refuses to brag about his achievements. In fact, he is wary of local businessmen’s fondness of talking about their businesses and wealth, “local businessmen like to boast.” Soh points out “as a Christian, God gives us all things,” we should “count our blessings” instead.

The writer is reminded of the apostle Paul’s writings when he confronted the boasting of the Corinthians, “For who makes you different from anyone else? What do you have that you did not receive? And if you did receive it, why do you boast as though you did not?” (1 Corinthians 4:7).

Their Christian faith makes these Chinese entrepreneurs realize that God is behind their success. Despite their best efforts, it is God who grants them success. This important recognition seems to help them stay humble. Yeo is the exception: he built and lost a substantial printing business. He is reflective about his failure. He realizes that his failure was caused by his arrogance and self-reliance. He now wants to right his relationship with God and is trying to rebuild his business.

### **Time With Family**

Dr. Tan candidly admitted that his focus on work and church activities meant he was almost an “absentee father” to his children until their General Certificate Exams (GCE) ‘O’ Level<sup>275</sup> years. When he belatedly realized that his children, especially his

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<sup>274</sup> In Hokkien, a Chinese dialect, it means “boss.”



daughter, was being stressed by her school work, especially during the preparations for her major examinations, he decided to take leave during her examinations to give her the emotional support and encouragement needed.

Lim, who places work at the center of his life, nevertheless finds time to have a meal with his family every evening when he is not travelling. "I don't distinguish between work and living. I come in at nine and finish at eleven at night. Of course it is interspersed with dinner at home, which is about one and half hours."

Sng works from about 8.30 or 9a.m. to 6p.m. from Mondays to Fridays, but the business also operates on Saturdays. He is glad that he is able to go home at 6p.m. every day and hardly needs to travel for business. Family seems to be as important, if not more important, than his work and business.

Although Yeo has been able to spend time with his children during the weekends, he wishes he had spent more time teaching and talking to them. He was practically working 24 hours a day. The stress and focus of his now-defunct business took away most of his energies. Yeo is now having problems with one of his children and regrets that "she is not talking to me."

Soh worked hard and long while building his first business. He used to travel frequently and usually over the weekends. Now he wants to give more attention to his children, particularly his son. He is concerned about his son's performance in school and has had to meet his son's teachers about his progress. Soh fetches his son to and from his after school tuition and takes him out for suppers. He was delighted that his son recently joined the family for a holiday in Hong Kong and Beijing.

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<sup>275</sup> This is a British-based exam for students who have completed their tenth year of schooling. This is equivalent to the High School (Grade 10) in North America.

Both Yeo and Soh expressed a desire to spend more time with their children and both have taken actions to focus more on their family. Dr. Tan and Lim have grown children who are married, so the need to spend more time with their children is not a priority. Sng's family business is the most mature and allows him the time to have the most balanced family life among the eight entrepreneurs.

Chinese Christian males are hard workers, and eager to provide for their family, but sometimes overlook their involvement with the children's upbringing and education. As Christian males, we are aware of the need for a healthy family life and the centrality of the family in the Bible, but nevertheless struggle to find a balance. One of the factors working against this balance might be the traditional Chinese upbringing. There is an old Chinese saying, "The man's role is outside, and woman's role is inside." Chinese fathers are generally not involved in the upbringing of the children; this is a task undertaken by the mothers. In a traditional Chinese family, fathers are expected to provide for the family and be the example of the "strong and silent" male. Frequently there is no communication between father and children. This lack of involvement of the father is frequently passed down to the next generation of males in the family.

### **The Other Tensions:**

The tension between people's needs and profit obligations did not surface in the five entrepreneurs' interviews for two reasons. First, most of the businesses apart from Lim's and Sng's, are very small businesses. Dr. Tan has no employees and Soh hires three persons. The issue of people's needs is therefore not critical.

The second reason is that Lim and Sng both adopted a patriarchal structure in their businesses. Employees are perceived as part of the bigger family in a patriarchal organization. Since employees are family, both businesses have "never indulged in

retrenchment<sup>276</sup> in the decades since the founding of their businesses. In a patriarchal organization, mutual loyalty between employer and employee is part of the unwritten contract. If loyalty to the employee is violated, the patriarchal leader will no longer be trusted.

On the tension between charity and wealth, only Lim and Sng can be considered wealthy. Lim, an extremely wealthy man, would rather not talk about his philanthropic activities but recognizes the Christian obligation to the poor. Most of Sng's wealth is parked in the family holding and he has little control over its management. All five Christian entrepreneurs are regular givers to their churches.

### **Faithful Witness In The Secular City**

Lim argues that Nash's approach to integrating faith and business is colored by the Western perspective of viewing this integration as an ongoing tension. Lim suggests that it might be more fruitful for us to view our faith and business as two different Orders: the Creative Order and the Redemptive Order. The Creative Order includes all man regardless of race, education, orientation, and faith. It is an order made by God, where all men are created in God's image. We must embrace this Creative Order, not just the Redemptive Order, and include people outside of our own faith in our day-to-day life.

The Redemptive Order is the salvation of men through faith in Jesus Christ. The challenge is to bring the Redemptive Order into the Creative Order. Lim believes that in our role as Christian entrepreneurs we must endeavor to redeem as much of our business in the Creative Order as possible.

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<sup>276</sup> This is a common business and economic term used in Singapore to refer to downsizing by reducing the number of existing employees.

## **Ethical Framework Of Chinese Entrepreneurship**

On the other hand, the traditional Chinese entrepreneurs have a “moral order” based on the belief in hard work, frugality, honesty and trustworthiness.<sup>277</sup> Like many early entrepreneurs, the Sng family is shaped by adversity and perseverance in their quest to build the family business. This thrift and prudence permeates into Sng and his brothers. The eldest brother who is the head of the group, “drives an old car and dresses simply.” The only indulgence of this CEO is “good traditional food.” Sng himself draws a modest managerial salary, stays in a modest house near the office, and drives a mid-sized Toyota.

Sng’s father arrived in Singapore as a 13 year-old youth in the mid 1930s. His father came to join Sng’s grandfather and elder uncle in Singapore. In the mid 1950s, Sng’s father started a poultry business and eventually started collecting sand from drains and dump sites around Singapore, and reselling the sand to construction companies. Gradually, the group expanded into quarrying and other construction materials, and eventually went into shipping.

Sng’s father built his business based on “trust.” In his time, all business transactions were invariably conducted with a verbal commitment and usually in Hokkien, the Chinese dialect of the Sng family. No contract was needed, and your word is your honor. “Business was built on trust not on costing.” Few of the entrepreneurs then knew their cost. Once a selling price was committed it must be honored regardless of whether the deal is profitable or not.

Towards the end of the 1960s to the early 1970s, many Sarawakian timber merchants came to Sng’s group to place orders for new barges for their logging transportation. The barge may cost \$70,000 but they would give only \$10,000 as a deposit.

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<sup>277</sup> Please refer to the latter part of the Literature Review that discusses this “moral order.”

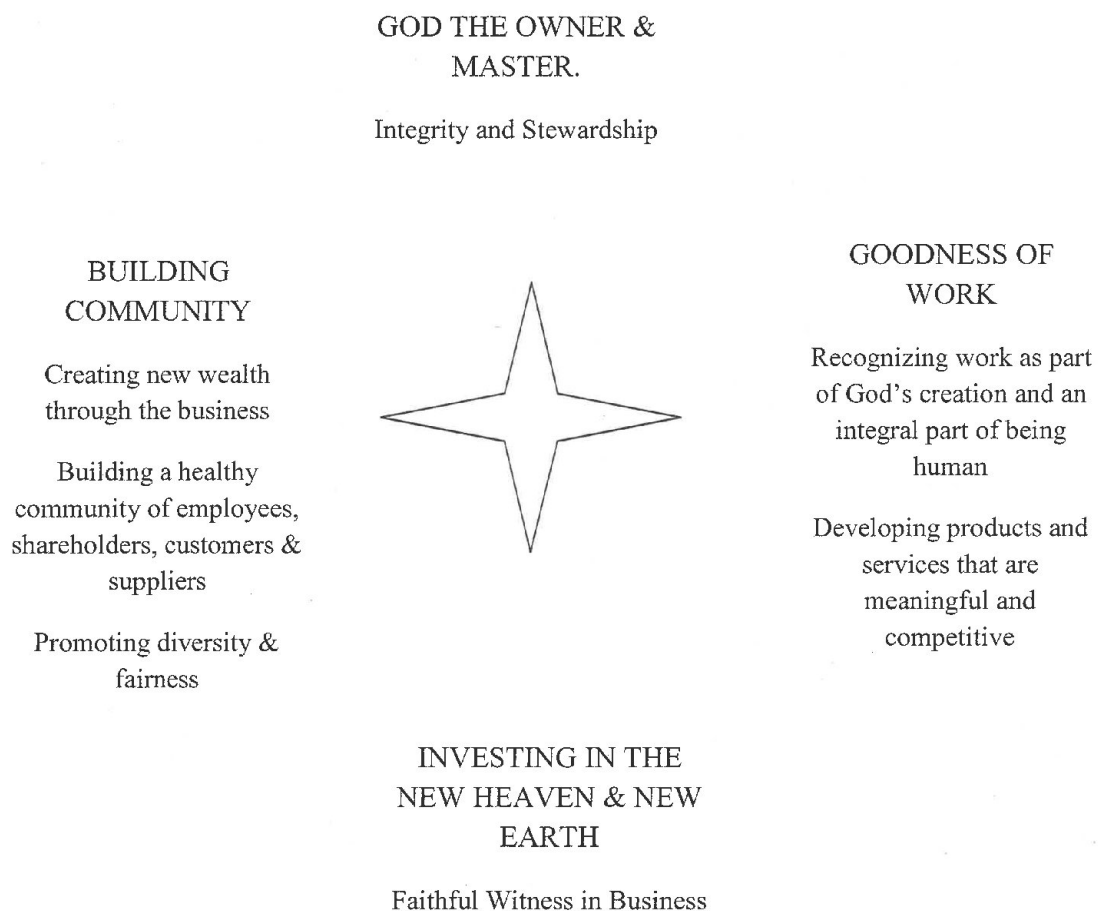
There was no contract, only a mutual understanding that once the barge is delivered, the balance of the payment would be made. Sng recalls that surprisingly, there was not a single case of non-payment.

Apart from Sng, neither his father nor brothers are Christians, yet their values make them place the long-term interest of the business and their employees above making money. This value is shared by many traditional Asian family businesses and the same can probably be said of Western family businesses as well. These traditional Chinese values of hard work, honesty, thrift, commitment in relationships, commitment to the community, and the keeping of our promises are positive and agree with Christian teachings.

## A Framework Of Christian Chinese Entrepreneurship

Chapter 2 introduced a framework of Christian entrepreneurship based on the theological, creational, communal and eschatological understanding of the Bible.

Figure 3: The Four Dimensions Of Christian Entrepreneurship



The theological dimension will emphasize integrity and stewardship. The creational dimension will focus on creating good work in the form of products or services that are meaningful and competitive. The communal dimension will require community building and the creation of new wealth for the stakeholders of the business. Finally the eschatological dimension challenges us to continually reconsider our priorities and our work in the light of the coming new heaven and new earth.

#### **Four Dimensions' Contributions To Chinese Entrepreneurship**

Traditional Chinese entrepreneurship has no vertical dimensions of theology and eschatology. In the concept of Chinese entrepreneurship, God does not appear as the owner and master. Instead the role of owner and master is usually replaced by that of the patriarch and his family. Since there is no eternal master there can be no eschatological dimension.

The successful Chinese entrepreneur who sees himself as the “god” of the enterprise frequently falls into a trap of arrogance and self-sufficiency that will eventually lead to the enterprise’s demise. A theological dimension recognizes the presence of a higher order and will temper the ego of the very successful entrepreneur. This is the tension between humility and ego that was discussed earlier.

These dimensions of theology and eschatology can bring new thinking and new development into Chinese entrepreneurship. Building a business is not merely to enhance the wealth and standing of the family, but to fulfill a calling and to obey God. Recognizing that we are stewards and eschatologically answerable to God will introduce an eternal edge to the merely carnal and monetary concept of Chinese business. This will create the tension that Laura Nash refers to as the pursuit of money and the love of God.

The Christian dimension of the goodness of creation will bring a new meaning of work to the Chinese entrepreneurs and encourage them to create products that are meaningful and worthy rather than just shoddy products at low-low prices. Chinese entrepreneurs will make products not just to make money but because these products are good. The understanding of creation as part of God's order may encourage Chinese entrepreneurs to limit their exploitation of nature and restrict damage to the environment.

The dimension of building community will encourage Chinese entrepreneurs to look beyond their family needs and ambitions and build a community of healthy employees, shareholders, customers and suppliers. One of the key weaknesses of Chinese entrepreneurship is the lack of social awareness that allows the development of nepotism and corruption. The new awareness of community development will temper nepotism and hopefully limit it to areas that will harm the community less. Corruption and its justification as a means to enrich the family will hopefully be diminished when family members weigh its negative impact on the greater community.

The dimension of community building may encourage the Chinese entrepreneurs to loosen their close identity with their ethnicity, and see their community as more than their own race. Wealth creation should not be limited to the entrepreneur and his or her family, but the wider community of all races that the business operates within.

### **Chinese Entrepreneurship's Contribution**

On the other hand, Chinese entrepreneurship can enrich the creational and communal dimensions. The Chinese emphasis on family and patriarchy can foster a sense of belonging and loyalty within the enterprise. Many who worked for smaller enterprises frequently attributed their job satisfaction to the "family environment" they experienced at work. Compared to a multi-national company and government related enterprises where



bosses and superiors come and go, and the shareholders are vague and distant, Chinese enterprises have a clear patriarchal leader and clear identifiable family owners that are personally known to the employees.

The centrality of work in the Chinese culture brings commitment and hard work to the goodness of work. The work ethic among the Chinese as discussed above is among the highest in the world. This serious work ethic is probably needed in countries that are economically challenged.

The emphasis on thrift and frugality will encourage entrepreneurs to be more careful with their expenditures and at the same discourage excessive borrowing. Chinese businesses tend to operate with few bank loans as most earnings are reinvested back into the business to ensure the business' long-term viability. Investors and shareholders of enterprises can learn from the Chinese to view business as a long-term part of their lives rather than a detached portion to quickly break away from if the business prospects are dim in the short term.

The Chinese system of trust and trustworthiness will place a premium on integrity and encourage business people to keep to their commitments. This will in turn help to create more committed relationships and a firmer bond in the community.

### **Conclusion**

The importance of entrepreneurship in the global economy has been continually affirmed in recent decades. This importance will increase as continual change forces economies and businesses to downsize and drive the need to create new jobs through entrepreneurship.

Entrepreneurship in Singapore has a long history going back to the beginnings of colonial rule in 1819. This study has tried to establish Chinese entrepreneurship as an important part of Singapore's Chinese heritage and history. It is important that Singapore's entrepreneurs understand their entrepreneurial history and recognize the contributions from this pioneer generation of entrepreneurs.

The eight entrepreneurs in this study are all married and grew up in large families. Their impoverished upbringing may have provided the impetus for their drive and hard work. Like 53 percent of the entrepreneurs in the United States, six of the eight entrepreneurs are middle aged, from the mid 40s to early 60s.<sup>278</sup> Seven of the eight have tertiary education, confirming studies done in the United States that going to school actually increases the odds that you'll become an entrepreneur.

The eight entrepreneurs display the traditional Chinese entrepreneurial characteristics of family involvement in the business, the adoption of a patriarchal organizational structure, and a serious work ethic. These characteristics are shared by other Chinese entrepreneurs throughout Asia.

The study also shows that today's entrepreneurs operate in a very different environment from the pioneers. The prevailing reason why these eight entrepreneurs plunged into their own businesses was not a desire for better lives (like the pioneer entrepreneurs) but to pursue an entrepreneurial dream, to pursue a perceived market opportunity, and previous job experiences.

The above findings have important implications on the career choice of those who aspire to be entrepreneurs. A good career plan will enable the aspiring entrepreneur to

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<sup>278</sup>Scott A. Shane, *The Illusions of Entrepreneurship* (New Haven: Yale University Press, 2008), 45. Refers also to Table 1 A and 1 B.

understand and measure the potential of his intended venture. At the same time, it is also through their previous jobs that the aspiring entrepreneurs are given the opportunities to develop the necessary capabilities and contacts for their new ventures

The perception that Singapore lacks entrepreneurs remains. This study does not have enough data to prove it otherwise. However, it is important to understand Singapore's environment and the four limiting factors highlighted above: a small local market, the substantial share of GLCs and MNCs, a compliant culture, and high opportunity costs. Efforts to increase the number of Singapore's entrepreneurs will require creating an environment that will modify some of these four factors.

There is no difference between the Christian and non-Christian entrepreneurs when it comes to displaying the three characteristics of family involvement, patriarchy, and a serious work ethic. Both groups are strongly influenced by Confucian values: the centrality of family; patriarchal leadership; and value of hard work. No difference was detected between the entrepreneurial skills of the Christian and non-Christian entrepreneurs.

Chinese Christian entrepreneurs do have an ethical framework that is different from their non-Christian counterparts. These entrepreneurs are particularly sensitive to the lure of money, the danger of pride, and the need for balance between work and family. This framework is based on their understanding of the Bible. However, traditional Chinese businessmen do have a "moral code" of hard work, frugality, honesty, and trustworthiness. Though limited to the relationships between people, these values are congruent with the teachings of the Bible. A useful ethical framework for Chinese Christian entrepreneurs can be built by combining this "moral code" into the four dimensions of Christian entrepreneurship.

### **Limitation Of The Study**

This is a short and limited study of a small group of entrepreneurs selected based on the personal contacts of the writer. This is a limited qualitative study and a wider group of entrepreneurs will be needed to test some of the issues raised in this study. A more in-depth study will require a much larger group of entrepreneurs and involve both quantitative and qualitative parameters.

Of the group of eight entrepreneurs, five of them are Christian and only three are not. The findings of this study may be slanted toward the view of the entrepreneurs who are Christian. A more balanced view may be obtained if more non-Christian entrepreneurs can be interviewed.

### **Future Research**

More non-Christian entrepreneurs need to be interviewed to share their views on how different faiths try to integrate with business. It will be interesting to uncover how Muslims, Taoists, and Buddhists try to integrate their faiths with their businesses.

In-depth analysis will need to be conducted to understand the extent of the influence of Confucianism on the psyche and behavior of Chinese Christian entrepreneurs. What are the entrepreneurs' levels of awareness about Confucianism and its influence on them? To what extent can this influence interfere with their Christian faith?

On the other hand, it is also important to explore the influence of Christianity on the development of entrepreneurial capabilities. So far, this study seems to indicate that there is no difference in capabilities between the Christian and non-Christian. In what ways can the Christian faith positively influence entrepreneurial capabilities?

More work needs to be done to uncover why Singaporean Chinese are less entrepreneurial than their counterparts in Asia. This issue has been regularly debated over the decades in a bid to increase entrepreneurship in Singapore. Studies can be directed at different age groups to see if this is a problem of the past or is still pervasive.

The proposed framework of Christian Chinese Entrepreneurship that combines the four dimensions of Christian business with the traditional Chinese moral system needs to be further tested among both Christian and non-Christian Chinese entrepreneurs to elicit their feedback. Is this framework useful? What areas need to be further modified to make it more relevant to the Chinese culture and Chinese business environment here in Singapore?

## APPENDIX 1: INTERVIEW QUESTIONS

Q1	What is your background (age, education, faith) in terms of family (marital status? children? parents, siblings), business experience, and interest?
Q2	What are the circumstances that led you to start this business? If this business was not started by you; how did it get started; what are the circumstances that led to its creation.
Q3	Are your family members involved in the business? Are there challenges related to this area?
Q4	What are the key challenges and problems in your business?
Q5	What is your typical work week? (Do you have to work harder while you were working for others? Do you feel you have to work harder now?)
Q6	<p><u>Christians only:</u></p> <p>What do you think the Bible has to say about entrepreneurship?</p> <p>What is your personal view on entrepreneurship?</p>
Q7	<p>Do you find it difficult to be a Christian and an entrepreneur at the same time?</p> <p>Prompt them on the seven tensions:</p> <ol style="list-style-type: none"> <li>1. the love of God and the pursuit of profits,</li> <li>2. love and the competitive drive,</li> <li>3. people needs and profit obligations,</li> <li>4. humility and the ego of success,</li> <li>5. family and work,</li> <li>6. charity and wealth,</li> <li>7. faithful witness in the secular city</li> </ol>
Q8	Do you think being a Christian makes you a better or worse entrepreneur?
Q9	What do you think is the future of your business in Singapore?

## APPENDIX 2: SUMMARY OF EIGHT INTERVIEWS

### *INTERVIEW #1: DR TAN JING HEE*

#### *NAME OF COMPANY: LEAP PERFORMANCE*

Dr. Tan was born the year after the Japanese's World War II surrender in 1941. His father had migrated from Hainan Island and was a house steward for the British officials in Colonial Singapore. His father eventually took charge of the Naval Base Sailing Club's facilities in Sembawang. Dr. Tan remembers fondly the time he spent swimming, fishing and playing around the Naval Base during the weekends and holidays.

Dr. Tan graduated from the local university with a degree in science. He was married in 1969 and has an elder daughter who is a pediatrician and a younger son who is a lawyer. His wife was a teacher in a government school. Dr. Tan has four granddaughters.

During his senior years while at university, he was asked by his father to join his two younger brothers in the setting up of a pharmaceutical retail shop that also processed Kodak film. After struggling for three years they decided to close the venture.<sup>279</sup> Immediately after graduation, he became the Senior Science Master of a government secondary school. Six years later, he left to join Robinsons Department Store, and then went on, in August 1973, to work for the Singapore Institute of Management. He retired in 1998 and immediately set up Leap Performance, a training consultancy, in 1998.

Leap offers Louis Allen management programs in Singapore. Dr. Tan conducts programs in Singapore, Malaysia and Indonesia on a regular basis, with about 12 to 15 workshops a year. In 2002 he was brought in as a partner to Cornerstone, a training school,

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<sup>279</sup> I wonder what Dr. Tan what have done if it had been successful. Understanding his career from the interview I suspect he would have remained in business and expanded aggressively into a chain.

and took a one-third stake in the company. He focused Cornerstone on offering a Griffith University nursing degree and University of New South Wales Master's level programs in Design and Technology and became the chairman.

The entrepreneurial streak runs in the family: his daughter has a successful pediatric practice and his son left his job four years ago to set up "Keystone," a law firm specializing in Infocomm technology. Looking back, Dr. Tan considers himself an entrepreneur by default, or in his own words "an accidental entrepreneur."

Dr. Tan argues that the training business is not fully "recession proof," it is just that the training business is less adversely affected during a recession. In his years at SIM he had seen business growth during recessions, although at a slower pace than during the good times.

Dr. Tan became a Christian in 1957 when he was 15 years of age. He was the chairman of the Raffles Institution Christian Fellowship and in his final year at university, was Chairman of the Varsity Christian Fellowship. While an undergraduate he regularly taught a Sunday School class. As a youth he firmly believed that Sunday was sacrosanct, to be wholly spent on church and Christian work; even a haircut should not be done on Sunday.



INTERVIEW # 2: LIM HUA MIN

NAME OF COMPANY: PHILIP CAPITAL

Lim is the eldest son in his large family of six brothers and three sisters. His father ran a tire shop by day, pulled a rickshaw by night, and singlehandedly supported his housewife mother and nine children.

His father was able to send him to the University of Surrey in England to study chemical engineering. Four years later, he returned with a master's degree in operations research and management studies from London's Imperial College.<sup>280</sup>

Within a week after his return to Singapore in 1969, he was given a job with Shell as a chemical engineer. Lim was impressed by his father's hard work and enterprise. Even while working he started three businesses: a real estate agency in People's Park Complex, a training school specializing in business and commerce, and a credit information bureau. All three businesses were started with friends and were eventually sold or closed. He lost money on these ventures but regards them as businesses that were too early for their time.

After three years in Shell, he left to work for the Singapore Stock Exchange. Three years later he was enticed to join Philip Securities in 1975. The three partners in Philip Securities wanted Lim because of his technical skills. Lim became a junior partner and bought a 12.5 per cent stake for \$250,000: \$100,000 from his personal savings, \$100,000 from bank loans, and another \$50,000 from his father.<sup>281</sup>

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<sup>280</sup>Susan Long, *Difference Makers: Stories of Those Who Dared* (World Scientific Publishing, 2005).

<sup>281</sup> Long, *Difference Maker*, 106

Over the years, his partners exited the business, and left him to steer the business alone. One of the original partners had to quit when he lost money in the property market. Another partner died. In 1979 he became a senior partner and brought his brothers in to assist him. It was then a Singapore business with two to three million dollars of turnover.

He downplayed his role during the golden years as the Singapore economy grew steadily, saying: "If the tide is taking you along, do you need to swim very hard?"<sup>282</sup> Today Philip Capital is owned by Lim and his three brothers. Philip Capital operates in 11 countries and has a turnover of nearly one billion Singapore dollars. It is one of the remaining few independent stock brokerage houses in Singapore that is privately owned and at the same time known for its innovativeness.

During his secondary school days he started reading parts of the Bible, hoping to improve his English. On his own initiative, he eventually asked his classmate to take him to church. By his lower and upper 6 (equivalent of Pre-U 1 and 2) he was attending church regularly but delayed his baptism out of respect for his non-believing parents.

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<sup>282</sup>Long, *Difference Makers*, 106.

*INTERVIEW #3: STEWART YEN*

*NAME OF COMPANY: SECOM SINGAPORE*

Yen is a first-generation Singaporean born to parents who had migrated from Shanghai. There are five siblings in the family, an eldest brother followed by three sisters with Yen being the youngest; he is the only one born in Singapore. Yen's father was a civil engineer trained at St. John University, a Christian university in Shanghai, China. Yen's grandfather obtained his PhD from Brown University in the United States. In 1968 Yen went to be trained in Engineering Physics at McMaster University, Hamilton, Ontario, Canada.

Apart from his engineering career, Yen's father was an enthusiastic entrepreneur investing in many businesses operated by his friends. Yen's father never operated these businesses but relied on his friends to run the businesses. His father took 50 percent stakes in these ventures but never ran the businesses. Yen's three other sisters are also involved in businesses of their own.

After his studies in 1973, Yen enlisted in the Singapore Armed Forces for his two-and-half year national service. Six months into his national service, he decided to sign on as a systems engineer in the military. Yen was soon picked to head the new arms procurement office in Washington, United States. He set up the Washington office and eventually the Paris office as well.

In December 1982, Yen met his ex-boss in a reunion dinner, and during the dinner they decided to form a new construction company, Chartered Development Corporation (CDC), Yen became the Assistant General Manager. The company was later renamed, Consultancy Development Construction (CDC). In 1989, Yen left CDC to rejoin a

troubled Unicorn, a company he was briefly employed with in 1979. He had to fire many people and looked for new business to expand the company.

As part of the expansion into commercial security systems, Unicorn formed a joint venture with Secom Company Limited of Japan in 1992.<sup>283</sup> Four years later in 1996, the joint venture, Secom Singapore was still bleeding, and Yen's detractors predicted that it was doomed to fail. Out of frustration, Yen bought the loss-making venture. Yen was sure things would improve and he was convinced Secom Singapore's fortune was about to turn around.

Yen, unlike most Chinese entrepreneurs, believes that business and family must be kept separate. He is not troubled by the fact that none of his family members will take over his business if he has to retire or step down. It has always been that way in his family. "I would never want to be involved in my brother's or father's business. Since being young, my mother had taught us not to expect anything from the business. We have been taught to be independent."

His family had always gone to church, as his father was educated in a mission school and his mother is a devout Christian. Yen's father was never baptized "but when we were young we were forced to go to church." His brother-in-law in Los Angeles is actively involved with his church and makes frequent missionary trips to China, Tibet, and Indonesia. "Every time I am in L.A.; I go to church." However, Yen professed that he is now a free thinker.

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<sup>283</sup>SECOM Co., Ltd. is the largest security company in Japan. SECOM was established in 1962 as the first private security company in the country. In 1964 SECOM pioneered the man-machine philosophy which combines highly trained personnel and high-technology security equipment. Ever since, SECOM has expanded its business globally and is currently present in 12 countries. They are: Japan, United States, United Kingdom, Australia, South Korea, Taiwan, China, Thailand, Vietnam, Malaysia, Singapore and Indonesia. SECOM provides security services and products as follow: Electronic Alarm System, CCTV (Closed Circuit Television) Surveillance System, Access Control System, Security Guard Services, Sensitive Material Detection Services.

#### *INTERVIEW #4: SNG*

##### *CONSTRUCTION & SHIPPING*

Sng is 51 years of age. His wife, a National University of Singapore (NUS) graduate, is a lecturer on entrepreneurship in a local polytechnic, and they have a teenage daughter and son. Sng was born into an entrepreneurial family, and after his national service in 1978 he joined the family business. Sng is the youngest of four brothers and his eldest brother, who is 60 years of age, is the head of the business. Sng was previously responsible for the group's marketing but is now heading the group's maintenance unit.

Sng's father arrived in Singapore as a 13 year-old youth in the mid-1930s to join his father and elder brother in Singapore. In the mid-1950s, the elder Sng started a poultry business and eventually started collecting sand from various parts of Singapore and reselling it. Gradually the group expanded into quarrying and other construction materials, and eventually went into shipping.

Sng's father built his business based on "trust." During his time, all businesses were invariably conducted with a verbal commitment and usually in Hokkien, the dialect of Sng's family. No contract was needed and your word was your honor. Sng remembers, "Business was built on trust not on costing." Few of the entrepreneurs then knew their costs. Once a selling price was committed it must be honored regardless of whether the deal was profitable or not.

Fifty years later the group is still thriving; there are 360 employees and about \$40 million in sales. Most of the workers have been with the group for decades and the average age of their employees is between 35 to 45 years of age. Sng's family has never retrenched any of its employees. Their business outlook is long term rather than year to year like most

contemporary businesses. "Business must not feel the pain, and not focus on the money you can get at the end." This outlook encouraged them to persevere the last two years when oil prices were at the highest in decades. They had committed to many contracts to supply their services based on diesel prices of 17 cents but their actual cost of diesel was \$1.17. Despite mounting losses they did not try to cut cost by downsizing.

Throughout their more than fifty-year history, Sng's family has never issued a single dividend. All profits made in the group are reinvested into the business to keep growing it. This policy of reinvestment has kept them in good shape during this crisis as they had relatively little debt. It is no accident that the group has lasted for six decades and is in its second generation of leadership.

Sng's family is Taoist, but he was converted to Christianity after he married his Christian wife. He has much to say about being a Christian in business. Sng is wary that entrepreneurs could be easily "swayed to the money-side." Money has a tremendous hold over our outlook and takes our eyes away from God. "Good times you get a lot, and then during bad times the money is wiped out and creates sorrow." He wisely observed, "Sorrow lasts a lot longer than joy."

## *INTERVIEW #5: JERRY LEE*

### *NAME OF COMPANY: APT (INSURANCE) AGENCIES*

Lee is a successful financial advisor and broker, and a happy father of three children. Lee's late father was a seaman, his mother is a homemaker, and he has an older sister who is also an entrepreneur. He graduated from the Singapore Polytechnic with a Diploma in Marine Engineering, and a Diploma in Management from the Singapore Institute of Management.

Lee is a people-person. He is warm and affable and shows a genuine interest in people. He reads widely and has tremendous knowledge of his industry. His network of friends and acquaintances is impressive. As we walked around the block that housed his office, many people came and exchanged friendly greetings.<sup>284</sup>

In 1980, Lee enlisted in the Republic of Singapore Navy to serve his two and a half years of national service. Two months into his Basic Military Service, he decided to sign on as a Technical Officer in the Navy. After eight years in the Navy, Lee finally decided to quit and become an independent insurance agent and entrepreneur. Three factors led him to this decision: (a) though his career in the Navy was secure and stable, he had few prospects for promotion; (b) the death of a young colleague from cancer; and (c) a restlessness and curiosity about what life would be like outside the military. At the age of 29, in 1988, Lee walked away from his pension and security in the military.

Lee did not enter the insurance business just to build a career; he was determined to build an insurance organization. In the next six years, he was to achieve outstanding success in the insurance business. The early 1990s was a golden period in terms of

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<sup>284</sup> The writer is a classmate in the same Marine Engineering course. He was always easy to talk to and friendly. He really enjoys meeting and knowing people.

earnings for life insurance agents and agencies, but the cold winds of change were coming. New rules and controls were eventually put in place and substantially lowered Lee's earnings. Because of this, in 1994 to 1995, he expanded into the general insurance business<sup>285</sup> and opened an office in Jakarta, Indonesia. The Indonesian office has also grown to about fifty agents with six direct employees.

Lee considers himself a freethinker and currently does not profess to being a believer of any faith. But he is philosophical about life and its many issues. Faith has been on his mind, but he is not ready to commit to any religion at the moment. Lee has had much exposure to Christianity and has heard the gospel in the past. He is positive about the teachings of Christianity but feels that he is not ready to be a Christian yet.

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<sup>285</sup> General insurance or non-life insurance policies, including automobile and homeowners policies, provide payments depending on the loss from a particular financial event. General insurance typically comprises any insurance that is not determined to be life insurance.



*INTERVIEW #6: ALFRED YEO*

*NAME OF COMPANY: GRACE COM (DEFUNCT):*

Yeo is the youngest in a family of three boys and three girls. His father was a seaman and a transport barge operator bringing goods from the ships anchored in the local ports to the inland warehouses. With the modernization of Singapore and the development of container ports along the coast, his father lost his livelihood and resorted to gambling as a full-time occupation. His mother sewed and did home crafts to supplement the income for the household of eight. Yeo graduated from the Singapore Polytechnic in Marine Engineering in 1980.

In 1985 Yeo “stumbled upon” entrepreneurship in the publishing industry. He started a company called Grace Communication & Services inspired by the possibilities of publishing and the importance of learning through mass communication. His vision was to promote God’s word via the mass media. Like most Chinese entrepreneurs, Yeo decided to bring his family into the business.<sup>286</sup> He brought in his sister who had prior experience in type-setting work. Another sister was working in the local telecom company but came to help in the business. As the business expanded, Yeo brought in his wife to help in the accounting area. Finally, he brought in his brother, an MBA graduate in the travel business, to help him oversee the fledgling business.

On September 11, 2001, more than 10,000 miles away in New York two passenger planes slammed into the World Trade Center and changed Yeo’s life forever. The ensuing panic and revulsion caused banks in Singapore to tighten their credit. Yeo’s company had

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<sup>286</sup> Most Asian start-ups turned to their families for recruitment for two key reasons: as a young company it is difficult to attract experienced professionals and lure them away from a stable career to a yet-to-be-stable new business. Another reason is the preference for people within the family that can be “trusted.”

been having cash flow problems because of the heady growth and now the banks stepped in to demand payments. After more than six harrowing and stressful months, Yeo decided to file for liquidation on June 30, 2002, the day of his wedding anniversary. All his assets were sold for repayment.

In his late teens Yeo had knelt down and prayed: "God whoever you are, tell me who you are?" He was not a Christian, but from his early encounters with mediums he knew the spiritual world to be very real and alive. At the age of 20 he accepted Christ while he was a cadet engineer. Yeo fondly recalled that he was "saved at sea."

Yeo struggled with God and asked Him, "WHY?" "Why did all these bad things happen to me?" But he now understands that this is part of his journey to submit to God and to follow Him. He recognizes that he was "puffed up." During the peak of the business he was handling million-dollar checks. He remembered being challenged once in a meeting about what kind of an advertising agency he was trying to build and confidently responded, "I will build this advertising agency to be as big as I can."

*INTERVIEW#7: KELVIN SOH*

*NAME OF COMPANY: E-DIRECT Technologies Pte Ltd*

Soh is 43 years of age, his wife works in a clinic and he has three children, 17 years, 14 years and 10 years old. The eldest is a boy in secondary four, and the two younger ones are girls. Soh's mother lives with him. These three generations live in the Choa Chu Kang area, which is close to his office at the International Business Park (IBP) in Jurong East. Soh is the youngest in his large family of seven siblings. (His father, a laborer, had passed away when Soh was serving his national service in the army.)

After finishing his 'O' Levels, Soh did a two-year drafting course at the local Institute of Technical Education (ITE) before enlisting for his national service. During the army he was able to plan and chart the course of his career. He decided to go into sales and to start his own business later. After completing his national service he enrolled at the polytechnic and studied electronic engineering.

After he was retrenched in 2000, Soh realized that the time might be right for him to realize his "calling." He gathered three other partners and used his entire three-months' worth of retrenchment benefits as part of the equity to start Max Quality Pte Ltd. Additional funding of US\$200,000<sup>287</sup> was provided by a Taiwanese partner, who is also a friend of Soh's. Within two short years, sales of Max Quality peaked at US\$2 million.

After selling Max Quality in 2004, the remaining three partners set up another venture, E-DIRECT Technology Pte Ltd, which Soh is still running today. E-DIRECT has two ranges of products: display devices and power supplies. The display devices are sold

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<sup>287</sup> There was an interest rate of 10% per annum on this loan. This partner owns 18% and the remaining 82% was spread almost equally between the three Singaporean investors who are also involved in the business

to car installers, weighing and handheld terminals in Singapore. The power supplies' main customers are Printer Peripheral and UPS Manufacturer.

From the age of five to six years, Soh was afflicted by high fever. His body would be covered with rashes, and pools of calcium were deposited beneath his skin. These feverish attacks would come suddenly and viciously overwhelm his frail little frame almost on a weekly basis. When he was in Primary 6 he was brought to the Grace Assembly Church to be prayed for healing. He felt a "hot" sensation throughout his whole body and thereafter the intensity of his feverish attacks diminished. He was healed, and sensed that God had touched him.

Thirty years later, Soh is still a member of the Grace Assembly Church and is now worshipping at Bukit Batok branch. He is seriously considering full-time service as a missionary when the time is right.

*INTERVIEW #8: TAN*

*NAME OF COMPANY: CTI Biotechnology Pte Ltd*

Tan is a 39-year-old entrepreneur, and a happy father of three children. Tan's wife is a financial controller in a public company in Singapore. He graduated from the Singapore Polytechnic with a Diploma in Mechanical Engineering, and then studied Marketing, CIM, U.K., as an external student. He did a one-month course of an MBA program but realized "it is who you are, not your education that determines how successful you will be in your career."

Tan's parents are first-generation Chinese Singaporeans. He has three sisters and two brothers, and is the fifth in the family of six. His grandparents migrated from South China to Singapore in the 1930s looking for a better life. Tan's father was a fireman, then tried various businesses, and finally became a fulltime martial arts instructor and a Traditional Chinese Medicine (TCM) practitioner.

In 2003 he decided to be a full time entrepreneur and left for China with S\$20,000. He bought used phones from China and sold them to Singapore and Indonesia. After he established a network, he started to import phones into China from USA/Europe. Two years later, he turned his S\$20,000 investment into a net profit of S\$2 million.

Through friends, he developed contacts with a Malaysian academic in biotechnology who had successfully extracted concentrated amounts of *Tongkat Ali*, a native plant of Malaysia and Indonesia, traditionally used as an aphrodisiac for men. Together with a third Malaysian partner, Tan formed a company called CTI International (Marketing) Sdn. Bhd. Another company, CTI Biotechnology, was incorporated in

Singapore with his younger brother, to enjoy the exclusive worldwide distribution for this product.

These aphrodisiacs are approved for sale locally as a supplement. Over the last two years, Tan has gradually increased the reach of his products, and they are now distributed in pharmacies throughout Singapore and other nearby countries. These are high-end and expensive supplements, a box of four capsules retails for \$38, or \$9.50 per capsule.

Tan is a one-man operation and he works from both a service office and from his home. If he wants to get away to think, he will go to a McDonalds, Starbucks or Coffee Bean outlet. A lot of people would say – “let me get back to the office first (for the computer and internet) – and take a look at your email – before replying.” That could be two or three hours later. Precious time is thus lost. “Everywhere is your office” is his favorite slogan.

Born a Buddhist, Tan also spent four years in a local mission secondary school. Though not a Christian, he believes there is only one God and He is the creator of all things in the universe. All religions are the same and eventually we all believe in the same God. Tan however identifies more with Buddhist’s teachings. He believes God uses life and business as a game to teach us and help us thrive and grow. “If we are wired with the right attitude of perseverance and diligence we will be granted success. This is an in-built mechanism that is pre-arranged.”

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